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JPRS-EEI-84-025

24 February 1984

# East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

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24 February 1984

## EAST EUROPE REPORT

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VIEWS ON IMPROVEMENT OF RELATIONS AMONG CEMA COUNTRIES

Bucharest REVISTA ECONOMICA in Romanian No 4, 26 Jan 84 pp 21-24

[Article by Ioan V. Totu]

[Text] This month marks three and one-half decades since creation of the Council for Mutual Economic Aid, the first international organization for multilateral economic collaboration, founded by six European socialist countries, among which also was Romania.

The basic goal of the council's activity, as established in its basic documents, is to contribute to the planned development and acceleration of the progress of each national economy, to raising the level of industrialization of the countries with less developed industries, to continuing to increase labor productivity, to deepening and improving economic collaboration among the member countries, to bringing their levels of economic development closer together and gradually equalizing them, to continually increasing the well being of the member countries' peoples. Mutual collaboration is intended to aid the efforts of the members in reaching a high level of scientific and technological development, in increasing the economic efficiency of social production, in magnifying the volume and improving its structure. One of the primary goals of cooperation in CEMA is to insure all the national economies' need for fuels, energy and raw materials, modern equipment, agricultural food products and other big consumer goods for a long time to come.

As one of the founding countries of CEMA, Romania has taken action from the start to fulfill the goals in the statutes and other normative documents of the council, to develop relations of collaboration among the CEMA member countries as well as with other countries on the basis of the principles of full equality of rights, of respect for state sovereignty, of independence and national interests, of noninterference in the countries' domestic affairs and of mutual advantage and comradely aid.

CEMA activity, as stressed by Comrade Nicolae Ceausescu, secretary general of the Romanian Communist Party and president of the Socialist Republic of Romania, in the message he gave to participants in the anniversary meeting dedicated to the 30th anniversary of CEMA, "has as its basic goal making an important contribution to the modernization of the production forces in each member country, to multilateral flourishing of the national economies, to equalization of the

levels of economic development of the particular states. By this, CEMA's activity is intended to be a model of the new type of relation, truly democratic, among states, which permits mutually advantageous and unhindered collaboration, development and modernization of each nation's economic potential in the interest of its own prosperity, free affirmation and independence of each nation, both nationally as well as internationally."

We see from the goals agreed upon by the member countries that the council was conceived of as an organization called on to contribute to solving the problems connected with the progress of these countries, to facilitating the development of economic relations with other countries and to demonstrating the superiority of the new type of relation in practice.

In this context, there is special significance in the definition of the way in which our party conceives of the organization's role, as defined in the RCP Program adopted at the 11th party congress: "The activity of collaboration in CEMA must lead to specific actions which contribute to aiding the efforts of the less industrially developed member states in order to speed up their economic and technical progress. Through this it will be noticed more and more clearly that socialism is the only system capable of eliminating the consequences of the policy of inequality from the past, of insuring the multilateral and harmonious progress of all nations and of placing the bases for a truly equitable international economic life."

CEMA also was conceived at its creation as an open organization, into which other countries sharing the council's principles and wishing to participate in the multilateral economic collaboration of the member countries may be accepted. In this regard, the RCP Program points out: "Extending cooperation in production among the socialist countries in CEMA should not result in formation of a closed economic grouping but, on the contrary, should favor participation of each socialist country in the international division of labor, in economic exchanges with other states. CEMA must create an appropriate framework intended to favor participation both of the other socialist countries as well as of other interested states in its activity."

Currently participating in CEMA activity are 10 member countries with full rights: Bulgaria, Czechoslovakia, Cuba, the GDR, Mongolia, Poland, Romania, Hungary, the Soviet Union and Vietnam. The Socialist Federal Republic of Yugoslavia does participate in the activity of a large number of CEMA representative organs on problems which are of mutual interest. Relations of cooperation in various forms have been established between CEMA and nonmember countries of the council as well as with numerous international organizations. Collaboration between CEMA and Finland, Iraq, Mexico and Nicaragua is being carried out on the basis of conventions concluded with each of these countries.

During its 35 years of activity, a closer and closer collaboration in various ways and forms has developed among the CEMA member countries in the area of material production, science and technology, foreign trade, currency-financial and credit relations and international transportation and a number of specialized international economic organizations have been created.

An important point in CEMA activity was marked by having the 25th session of the council, which was held in Bucharest in 1971, adopt the complex program for continuing to deepen and improve collaboration and develop socialist economic integration.

Also through the years many special programs of long-term collaboration have been adopted and a number of understandings for cooperation have been achieved in such areas such as fuel, energy and raw materials, machinery, equipment and modern technologies, nuclear electric power centrals, microprocessors, industrial robots, microelectronics, means of telecommunications, new methods for computer technology, food products, big consumer industrial goods and transportation links between these countries.

Steadfastly promoting the policy of broad international collaboration, Romania is placing the strengthening of friendship and cooperation with all the socialist states in the forefront, giving special attention in this framework to the relations with the neighboring countries and with the CEMA member states.

As one of the organization's founding countries, socialist Romania, fully in the effort of the complex development and modernization of its national economy and of the transition from the stage as a developing country to that of a country with an average level of development and of raising all economic activity to a higher level of quality, consistently has taken action and is taking action, together with the other member countries, to extend and deepen multilateral collaboration within CEMA and to implement the programs and understandings on collaboration as agreed upon and to substantially increase their effectiveness. As Comrade Nicolae Ceausescu pointed out, "Our country has taken consistent action to develop economic collaboration and technical-scientific collaboration with the member countries, has made its active contribution to the efforts to improve the activity of this organization so that it corresponds as well as possible to the goals for which it was created and fulfills the goals and duties established for it by law under proper conditions."

Our country's principled position is being carried out in Romania's participation in carrying out around 250 agreements, conventions and other multilateral understandings--most of them are long-term--concluded by the CEMA member countries concerned. Among these, we mention the agreements on construction of big production capacities in the cellulose, asbestos and ferroalloy industries with joint efforts, the utilization of a natural gas deposit and construction of a nuclear electric power central in the Soviet Union, as well as construction of a nickel-cobalt plant in Cuba, with Romania receiving the quantities of the products built in the units as agreed upon in exchange for the products and services provided. Also, a large number of Romanian industrial units are participating in carrying out more than 50 multilateral conventions for specialization and cooperation in the production of important products in machine building and the chemical industry. In the area of science and technology we should mention the more than 100 multilateral conventions for collaboration on specific research-development problems in which Romania is participating as well as cooperation in laboratories, collectives and joint programs for research, design and experimentation. Romania is taking an active part in the collaboration being carried out in the 26 specialized international economic unions and organizations created by the CEMA member countries concerned.

The participation in carrying out all these agreements and multilateral understandings, together with continuing to extend bilateral relations of collaboration, has been reflected in broadening of Romania's commercial exchanges with other CEMA member countries. Compared with 1960, the volume of these exchanges currently has increased 7.5 times, that is, at an average annual rate of 9.6 percent. At the same time, there has been a gradual improvement in the structures of these exchanges: the percentage of machinery, equipment, chemical products and industrial goods for broad consumption in Romanian exports to these countries has risen from 25.9 percent in 1960 to the current 70.5 percent.

In the context of strengthening its relations of collaboration with the neighboring socialist countries, Romania--as pointed out by Comrade Nicolae Ceausescu in the report presented to the 12th party congress--is giving special importance to relations with its big neighbor, the Soviet Union. A broad collaboration in the economic and scientific-technical areas has been established between the two countries. Currently the volume of commercial exchanges between Romania and the USSR is around 3.3 times greater than in 1970, with an average annual growth rate of 10.6 percent being recorded for this period.

The activity carried out by CEMA in the 35 years since its creation has had great importance for the member countries. As Comrade Nicolae Ceausescu, secretary general of our party and country's president, pointed out, "CEMA has had an important role in the social-economic development of the socialist countries and the collaboration among them and, thus, in Romania's development." At the same time, an analysis of the current stage and forms of collaboration for the socialist member countries and their agreement with current and future requirements for development of their national economies brings out the need for extending and improving mutual collaboration.

In the period covered until now, as a result of the persistent efforts made and the remarkable results obtained by the peoples of the member countries under the leadership of their communist countries, important changes have been produced in the structure of the national economies and in their levels of technological development. Currently these countries are in a new stage of their progress, characterized in particular by the transition to intensive development of the economy, by powerful emphasis on the quality aspects, within which are the goals for raising labor productivity, competitiveness and economic efficiency are in the forefront, which raises new problems for each country. New problems also have occurred in the international economic situation, particularly as a result of the world economic crisis and the difficulties which have appeared in the areas of energy, raw materials and working out and applying top technologies. A number of problems also are being posed in the development of agriculture and in providing the necessary agricultural food products in the vast regions of the world. The current stage of development of the socialist countries as well as the current world economic problems demand relations with the developing countries and with other states be placed on a new level of quality.

Of course, solving the problems mentioned above first involves the efforts of each socialist member country of CEMA to provide continuation of economic growth, full mobilization and rational and superior utilization of all the resources they have available. At the same time, qualitatively new changes are required in the role and effectiveness of actions of collaboration among the member countries in CEMA so that they insure solution of the economic problems mentioned to

a greater extent and with their own forces, in this way providing an impetus for each country to carry out the programs for social-economic development and strengthen the overall economic capacity and force of the CEMA member countries. In the view of the RCP and its secretary general, fulfillment of these goals makes it necessary to improve CEMA activity and the collaboration among the member countries of the council, to orient them toward jointly finding the paths for solving the complex and difficult problems, for overcoming the difficulties which have appeared and for strengthening collaboration and cooperation in all areas of activity.

Actually, in our party's concept, in the current stage it is necessary to proceed from the following basic requirements in the collaboration among the socialist countries for broadening and diversifying its forms.

First, what should be kept in mind is solving the problems of the current five-year plan on a priority basis, working out efficient measures which insure the rapid development of all the CEMA member countries. Actually one cannot conceive of future problems being approached without satisfying the current needs for raw materials, fuels, energy and other basic products through collaboration, on the basis of mutual advantage.

Second, they should proceed from the primary need for complete use of production capacities and the labor force existing in our countries in agreeing upon actions of collaboration and cooperation. Due to the efforts of these countries and mutual collaboration, the volume of production capacities currently is considerably greater than a decade ago and for that reason permanent efforts are required to provide for the fullest and most effective possible use of them to the advantage of each country and the demonstrations of the superiority of the socialist economic system.

Third, all activity of collaboration must be guided firmly toward satisfying the basic need of all the CEMA member countries for raw materials, energy, fuels, installations of high technical level, agricultural food products and big consumer items, with this being the first criterion of the efficiency of our cooperation and activity of the council and conclusive proof of the superiority of the new type of relation.

Fourth, extending collaboration and mutual economic and technical-scientific exchanges must insure speeding up the process of intensive development of the national economies, maximum utilization of the material and human resources existing in our countries.

Romania feels that the CEMA member countries have available all opportunities so that, through their own efforts and through broad development of collaboration and mutual economic cooperation, they can successfully solve the many basic problems of economic and social development and of building socialism and raising the people's well being.

So they have great opportunities to insure the supply of energy, fuels and raw materials with their own forces, to solve the most complicated problems in the area of technique and technology, to carry out the powerful development of agriculture and production of big consumer goods. In all these areas, the CEMA



member countries have conditions to cover their need for products through broad collaboration--in some cases complete or in others, for the most part--rejecting expensive imports in convertible currency from third countries.

At the same time, methods and forms of cooperation have been established in the collaboration among the CEMA member countries, in the application of which important positive experience has accumulated, such as building big economic projects with joint efforts, projects intended to more fully satisfy the need of the participating countries; specialization and cooperation in production, both for finished, complex products as well as for subassemblies and parts, and broadening exchanges with these products. Collaboration in the area of planning activity and, in particular, coordination of national economic plans have shown their viability and potential as the main method for organizing mutual cooperation. Proving its usefulness more and more is collaboration in carrying out investments for the big projects or within some broader areas, such as broadening and diversifying the base of raw materials and energy resources, building new production capacities in the areas of top technology, organizing the manufacture of modern equipment, intensifying agricultural production. Broad usage of the forms of cooperation mentioned, particularly forms of economic cooperation and specialization in production, can provide for growth in the effectiveness of the mutual collaboration.

There is great importance in the fact that the CEMA member countries, due to each country's efforts, have available a powerful scientific and technical potential which makes possible, through the united efforts of more than one country on equitable bases, the joint solution of problems of scientific research and technological development closely connected with the priority goals of the members states' social-economic development.

Romania's constant activity for raising the relations of economic collaboration in CEMA to a higher level is reflected in a number of specific and realistic proposals advanced by Romania's representatives in the CEMA organs.

In the area of providing the need for energy and fuels, Romania, which imports large quantities of these products, has the opportunity to make deliveries of equipment, design and building projects and to participate in efforts to utilize some crude oil and gas deposits as well as to draw the resources of coking coal existing in other member countries into economic circulation. Romania also is interested in collaborating with the USSR and other CEMA member countries in building nuclear electric power centrals and centrals to utilize new sources of energy.

A number of Romania's proposals have in mind providing the need for basic raw materials through participation with design projects, geological prospecting, deliveries of equipment, materials and other products in the utilization of iron ore, copper, zinc, lead, stannum, nickel, titanitic dioxide, bauxite, manganese, magnesium, wolfram, molibden deposits as well as in working forests and extending the cotton crops.

Many of Romania's proposals are directed toward extending specialization and cooperation in production on the basis of long-term collaboration programs which reflect the current level of each country's technical supply and which

at the same time provide for total use of existing production capacities, broadening of the list of specialization by products with a view to satisfying the needs of the countries concerned. These programs could be worked out in the metallurgical industry and chemical industry for fuller and more certain coverage of the CEMA member countries' need for metal and scarce chemical products, particularly low-tonnage ones (chemical additives, pesticides, dyes) and appropriate reduction in the big imports from third countries with payment in convertible currencies. In these two basic branches of industry Romania has available modern capacities and technologies and rich production experience and is ready to participate actively in the specialization and cooperation among the member countries.

The remarkable achievements of our countries in the area of machine building industry and the electrotechnical industry are making it possible to continue extending the specialization and cooperation in this key branch of modern progress. What must be taken into consideration in organizing this activity are both the economic criteria (in increasing the mass production, productivity and high efficiency) as well as the requirements for industrialization and multilateral development of each member country, particularly the less developed ones.

Broad opportunities for cooperation in machine construction exist in the area of building new types of thermal motors with superior characteristics, large-capacity compressors, heavy equipment and highly technical equipment needed to develop the energy and raw material base, heavy machine tools (lathes, milling machines), equipment for the petroleum and gas industry, parts and high performance subassemblies needed for the production of mining equipment, metallurgical equipment (coking plants, chimnies, rolling mills), products of fine mechanics and optics (measurement and control apparatuses, hydraulic and pneumatic equipment), medical technology and building equipment for irrigation and drainage.

Romania has expressed its interest in deepening the specialization and increase in mutual deliveries in the motor vehicle, tractor and rolling traction material industries, in the production of equipment for the chemical industry, machinery and equipment for the light and food industries, branches in which appropriate capacities and broad opportunities for delivery are available.

In the area of transportation means Romania has capacities available for the production of electric Diesel locomotives as well as in the aeronautics industry for the manufacture of helicopters and airplanes and it can cooperate and deliver in these areas with other countries.

Taking into account the special importance of the electrotechnical and microelectronics industries in carrying out the current stage of the world scientific and technical revolution and the continually greater needs of the CEMA member countries for the products of these branches, Romania feels it necessary to work out a special program for development of cooperation and specialization in production, one which would provide for satisfying the needs of the member countries for high-speed integrated circuits with lower energy consumption for various areas of utilization, microprocessors, semiconductor memories, optoelectronic components, miniature passive components. In this program Romania has available all the conditions for assimilating and manufacturing products, components and electronic materials for its own needs and those of the other countries, such as computer technology resources, including secondary equipment, microprocessors, automatic telephone centrals and so forth. In turn, Romania



wishes to cover its need for other types of electronic products with imports from the other member countries.

Romania also has available production capacities and deliveries in the electro-technical industry, that is, high- and low-tension apparatuses.

The strengthening of contractual discipline and strict respect for the commitments taken in the conventions and contracts of the participating economic organizations with regard to carrying out specialized production, its technical-economic parameters and volume and schedules for mutual deliveries are of decisive importance in extending the entire activity of specialization and cooperation in production.

Another important area where life requires that each country's own efforts be joined with deeper collaboration among the CEMA member countries is agriculture and the food industry. Under the circumstances of the current world food crisis, agricultural food products also have primary importance in the economic development of the socialist countries and in satisfying our people's living requirements. Justifiably, these products today must be considered basic materials in economic activity.

Cooperation in this area is called on to create more favorable conditions for increasing agricultural production and the volume of production for export both by better supply of the material-technical base needed to develop this branch as well as by establishing appropriate and equitable foreign trade prices, which would compensate for the much higher production expenses of the last decade, particularly as a result of the repeated price increases for fuels, fertilizers and pesticides.

It also has become necessary to find and use supplementary forms and methods for stimulating production, particularly for the scarce products. In this regard, the CEMA member countries have agreed on carrying out actions of cooperation, such as participation of the countries interested in investments and on studying the possibility and timeliness for creating a special fund in a multilateral framework for stimulating the production and exports of agricultural food products.

Taking into account the current nature of the problem, Romania has come out for the move to conclude specific understandings among the interested parties without delay so that more favorable conditions can be created to develop production and intensify the exchanges of food goods, to provide fuels, energy, fertilizer, pesticides and various types of raw materials and materials needed for agriculture and the food industry. Finding and applying the best solution for stimulating these exchanges under equitable economic conditions would give a better place to agricultural food products in the overall structure of mutual exchanges, would lead to amplification of their volume and would provide for fully covering the countries' need, thus increasing the prestige of socialism in solving one of the world problems now confronting the international community.

Large consumptions of energy and raw materials, large labor expenses require the development and diversification of the range of varieties and rise in the quality level of the production of big industrial goods. As in the case of

agricultural food products, these goods, also, have significance which is just as important for the development of socialist construction. For that reason the organization of broader cooperation in CEMA is needed in this area, also, with Romania being ready to develop the production and exporting of various varieties of big industrial goods to satisfy the needs of other CEMA member countries. Romania also is interested in broadening the exchanges of varieties, in extending collaboration among the production units for renovation of products, for superior utilization of raw material and materials, for improvement in manufacturing techniques, broadening of the use of substitutes and so forth.

In the concept of the RCP and the Romanian Government, deepening the collaboration of the CEMA member countries in the area of science and technology and increasing its effectiveness are being called on to make a greater contribution to speeding up the technical progress in each of these countries, to ease the transition from extensive to intensive development of the national economies. For this the activity of scientific-technical collaboration must be guided on a priority basis toward building new types of machinery and installations needed to modernize the basic branches of the economy; toward creating the material base for extending the utilization of computer technology, microprocessors and industrial robots; toward assimilating new products of high technical level in all branches of the economy, ones which are competitive at the international level; toward obtaining varieties and hybrids of agricultural crops, breeds of animals which are highly productive; toward solving other primary goals for the social-economic development of the member states.

At the same time, the activity of technical-scientific collaboration must be placed on flexible and efficient forms of cooperation, must include the entire cycle--from research-design to assimilation and organization of mass production of the new products--and must provide for distribution of the expenses connected with each projects in the spirit of socialist equity, must permit intensification of the exchange of technical documentation under mutually advantageous conditions and must help the less developed countries in achieving their economic and technical progress.

A general expression of the efficiency of all activity of collaboration and cooperation among the CEMA member countries is the continued development of the mutual exchanges of goods, improvement in the structure and increase in their profitability. From this viewpoint, mutual trade, as any other form of cooperation, must be sought and sustained through adequate measures for stimulating and improving, for correcting unfavorable trends which hinder faster development of the exchanges of goods. Along this line, Romania has taken action and continues to take action to have timely conclusion of long-lasting commercial agreements and commercial protocols, to extend the practice of concluding long-term contracts not only for machinery and installations with a long manufacturing cycle but also for a number of raw materials, materials, fuels and energy, big mass-produced machine-construction products built within the specialization and cooperation in production. At the same time, it is necessary to continue examining and utilizing all the opportunities for increasing mutual exchanges of goods even in the two years left in the current five-year plan so that the provisions of the long-lasting agreements are exceeded and the needs of all the countries are satisfied more fully.

Taking action together with other member countries to improve the methods for forming prices in mutual trade, Romania has in mind insuring their stability for a longer period, the economic equivalence of exchanges and stimulation of technical progress in the process of cooperation and specialization in long-term production with favorable effects on the overall cooperation among our countries, including by lessening the impact of repeated price fluctuations on the world markets, sometimes economically unjustified.

The promotion of currency-financial relations among the CEMA member countries also contributes to the development of cooperation and mutual exchanges, particularly the activity of the two international banks created by these countries. Raising the relations of collaboration in CEMA to a higher level also requires an appropriate growth in the role of financial-currency and credit relations, particularly in extending cooperation in the area of material production, in carrying out the actions of collaboration planned in the area of energy, fuels and raw materials.

Improvement in these relations also appear all the more necessary as the negative phenomena of the current international financial-money crisis affects international economic relations in which the socialist countries also participate. Increasing the capital of the two banks in convertible currencies, drawing in currency resources from the international money markets and giving the member countries credits in convertible currency would contribute to counteracting the negative effects of the current policy of the international financial-banking capital and of the increase in interest rates.

The future evolution of collaboration and cooperation and of mutual exchanges of goods among the CEMA member countries to a large extent depends on the finality of the projects being carried out for coordination of the national economic plans for the next five-year plan, 1986-1990. Organized on the basis of a program adopted at the 36th meeting of the CEMA session, these projects are intended to contribute to fulfilling the goals for each country's social-economic development as established by the communist and worker parties, particularly in the direction of the intensive and balanced development of the national economies, introduction of the most recent achievements of advanced science and technology, rise in economic efficiency and increase in the people's well being.

The concentration of activity toward actions of cooperation in the area of material production, being an established goal of the international economic unions and organizations created by the socialist member countries of CEMA, at the same time represents the path for insuring the efficiency of operation of these organizations, conclusively made specific by working out draft conventions which, signed and carried out by the participating countries, should offer a solid base for increasing exchanges and strengthening mutual collaboration.

Deepening of the collaboration in CEMA and improvement in the council's activity at the same time must insure broader opportunities for the socialist countries' participation in the international division of labor and in world economic collaboration and must broaden relations with other states, both with the developing countries as well as the developed capitalist countries on the basis of the principles of peaceful coexistence, equality and mutual advantage.

In our party's concept, the socialist member countries of CEMA and all socialist states, through the community of their social system, through the specific nature of the relations they promote on the basis of equality and mutual advantage, are being called on to play a decisive role in stimulating economic and social progress in the developing countries, in solving the problems of underdevelopment, in creating a new international economic order and in solving certain complex problems of world economic life with united forces.

Deepening and improving collaboration among the CEMA member countries do not mean economic isolation, a restriction on relations with other states. On the contrary, as Comrade Nicolae Ceausescu stressed, it is necessary for "international relations in the economic area not to be compartmentalized, not to reach a restriction on collaboration between different groupings of states." Along this line of concern, paths and methods for more powerful development of commercial exchanges, cooperation in production, science and technology with the other socialist countries must be found for agreeing upon organized forms for multilateral collaboration with these countries. This should become a primary goal of CEMA activity.

At the same time, there is special importance in extending relations with the developing countries, with this being an important factor in the struggle against imperialism and colonialism and for establishing a new economic order in the world.

In the spirit of the principles of peaceful coexistence it also is necessary to broaden relations with the developed capitalist countries, with the differences in social systems, in political and philosophical concepts not being an obstacle in the path of broad international collaboration based on equality, respect and mutual advantage.

The practice of three and one-half decades of development of collaboration in CEMA has shown forcefully the need for full agreement among the forms and principles of this collaboration and the principle of strengthening the leading role of each party in steadfastly exercising the responsibilities and sovereign duties which they have in the leadership of the national economy and each country's social and economic life and in building the socialist and communist society. In agreement with this requirement, one should stress the overwhelmingly important role which Comrade Nicolae Ceausescu's meetings have with party and state leaders from the other CEMA member countries in establishing the strategy for development of mutual collaboration, for defining the paths, forms and concrete goals of cooperation and for creating the best conditions for fulfilling the goals planned.

Carrying out intense activity toward this goal, our party is proceeding from the determination that the role and attractive force of socialism depend on the economic and social development of each of our countries, which, at the same time, is also the basic premise for the fruitfulness of mutual relations.

In the context of these clear achievements, we should point out the positive activity carried out jointly by the CEMA member countries with a view to the preparation and organization of the high-level economic meeting which is to analyze the problems of collaboration in CEMA which must be solved during this

five-year plan as well as those regarding the future development of this collaboration and the council's activity.

As far as our country is concerned, as stressed by Comrade Nicolae Ceausescu in his speech at the RCP CC plenum of October 1982, "Romania is determined to take action so that it contributes to improvement in CEMA activity, to the development of relations with all the socialist states in CEMA and all the socialist countries, with a view to strengthening collaboration, to increasing economic and political force, increasing the influence of the socialist countries and socialism at the world level, with these being an important factor in the policy of detente, peace, independence and international collaboration."

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CSO: 2700/117

## BULGARIA

### REPORT OF FOREIGN TRADE DURING 1983 THIRD QUARTER

Sofia STATISTICHESKI BYULETIN in Bulgarian No 3, Oct 83 pp 1-16

[Text] Exports and Imports

Committee for Unified System for Social Information of the Council of Ministers

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Development of Foreign Trade of the Bulgarian People's Republic  
During the First 9 Months of 1983

During the period under consideration the country's foreign trade totaled 17.1 billion f.e. [foreign exchange] leva. Compared with the first 9 months of 1982, it showed an increase of 1.61 billion f.e. leva; exports increased by 739 million f.e. leva and imports increased by 872 million f.e. leva. This great increase is the result of the considerable increase in trade with the socialist countries. Our trade relations continue to develop at a particularly fast rate with the CEMA-member countries. During the first 9 months of the year exports to such countries totaled 913 million f.e. leva while imports amounted to 955 million f.e. leva.

Among the groups of the socialist countries, the USSR remains our largest foreign trade partner. Our trade with that country for the first 9 months totaled 9,907,000,000 f.e. leva and accounted for 58.2 percent of the country's overall trade for that period. Following the USSR are the GDR with 339 million f.e. leva (5.5 percent), Czechoslovakia, 673 million f.e. leva (4.0 percent), Poland, 630 million f.e. leva (3.7 percent), Hungary, 398 million f.e. leva (2.3 percent) and others.

Bulgaria's greatest trade with the developed nonsocialist countries was with the FRG, 412 million f.e. leva (2.4 percent), Switzerland, 292 million f.e. leva (1.7 percent), Greece, 203 million f.e. leva (1.2 percent), Great Britain, 198 million f.e. leva (1.2 percent), Austria, 152 million f.e. leva (0.9 percent) and others.

Our biggest foreign trade partner in the group of developing countries remains Libya, trade with which reached 517 million f.e. leva (3.0 percent), followed by Iraq, 243 million f.e. leva (1.4 percent), Iran, 215 million f.e. leva (1.3 percent), Turkey, 117 million f.e. leva (0.7 percent) and others.

The positive changes in the structure of our trade remained during the first 9 months of 1983. The volume and share of output with a high degree of processing steadily increased and expanded in our exports. Compared to the

first 9 months of 1982, additional exports of machines and equipment for industrial purposes totaled 408 million f.e. leva; fuels, mineral raw materials and metals, 76 million f.e. leva; chemicals, fertilizers and rubber, 16 million f.e. leva; construction materials and parts, 14 million f.e. leva and others. Also increased were exports of industrial consumer goods (noncomestible), by 91 million f.e. leva; foodstuffs, by 66 million f.e. leva, and others.

In imports the share of goods in the group of fuels, mineral raw materials and metals remains the highest, accounting for 46.9 percent of the overall volume of imported goods during the 9 months. It is followed by machines and equipment for industrial purposes, 33.7 percent; chemicals, fertilizers and rubber, 5.2 percent; raw materials and products of their processing (excluding foodstuffs), 4.9 percent, and others.

During the first 9 months of 1983 exports of a number of commodities increased. Compared with the same period of 1982, the following additional amounts were exported: 282,400 electric motors, 320,100 telephone relays, 16,500 radio telephones, 2,700 electric car batteries, 2,300 motor cars, 28,700 pressure gauges, 1,100 silage combines, 741 transplanting machines, 27,400 tons of casting iron, 12,400 tons of rolled wire, 27,800 tons of zinc-plated steel, 8,400 tons of sodium silicate, 135,100 tons of carbamide, 215,000 tons of polystyrene, 28,800 tons of ammonium sulfate, 3,400 tons of sodium saltpeter, 2,700 tons of acetone, 43,000 sets of heavy-duty tires, 47,300 tons of cement, 11,600 pieces of earthenware tile, 49,000 square meters of parquet flooring, 147 kilograms of rose oil, 5,100 calves, 114,500 weaned lambs, 28,100 tons of apples, 115,000 pairs of leather shoes, 213,000 women's dresses, and others.

During the same period we also increased our imports of goods for the national economy and for meeting the increased material and cultural needs of the working people in our country. Compared with the first 9 months of 1982 we imported additional amounts of metal-cutting machines, energy and electrical engineering machines and equipment, ships and ship equipment, metallurgical and casting coke, coal, excluding anthracite, rolled ferrous metals, chemical fertilizers, textile raw materials, coffee beans, consumer goods, and others.



# 1. Trade, Exports and Imports

	9-month period		First 9 months of 1983 compared to first 9 months of 1982 (in %)
	1982	1983	
	Million f.e. leva		
Trade	15399.3	17009.6	110.5
Exports	7666.4	8405.0	109.6
Imports	7732.9	8604.6	111.3

# 2. Exports and Imports by Group of Countries

	Exports		9-month period of 1983 compared to 9-month period of 1982 (in %)	Imports		9-month period of 1983 compared to 9-month period of 1982 (in %)
	9-month period 1982	1983		9-month period 1982	1983	
	Million f.e. leva			Million f.e. leva		
Total	7666.4	8405.0	109.6	7732.9	8604.6	111.3
Socialist countries	5536.8	6435.4	116.2	6076.9	7048.4	116.0
CEMA members	5438.3	6351.6	116.8	5991.0	6946.3	116.0
Non-CEMA members	98.5	83.8	85.1	85.9	102.1	118.9
Nonsocialist countries	2129.6	1969.6	92.5	1656.0	1556.2	94.0
Developed capitalist countries	773.7	840.2	108.6	1271.5	1096.0	86.2
Of these:						
European Economic Community	613.0	562.4	91.7	748.0	673.5	90.0
Developing countries	1355.9	1129.4	83.3	384.5	460.2	119.7
Of these:						
Arab countries	919.2	762.0	82.9	112.4	202.4	180.1

Table 3. Exports and Imports by Country

	Exports 9-month period 1982 1983 Million f.e. leva		9-month period of 1983 compared to 9-month period of 1982 (in %)	Imports 9-month period 1982 1983 Million f.e. leva		9-month period of 1983 compared to 9-month period of 1982 (in %)
Total	7666.4	8405.0	109.6	7732.9	8604.6	111.3
Including:						
Europe						
Austria	27.6	24.6	89.1	118.4	127.8	107.9
Albania	16.3	15.5	95.1	13.3	11.2	84.2
Belgium	7.3	23.4	3 *	51.6	52.0	100.8
Great Britain	88.2	118.8	134.7	87.5	78.9	90.2
GDR	411.0	456.0	110.9	440.1	483.4	109.8
Greece	158.1	176.2	111.4	47.1	26.6	56.5
Denmark	2.2	2.3	104.5	3.2	8.6	3 *
West Berlin	1.6	1.5	93.8	1.1	1.4	127.3
Ireland	0.1	0.2	2 *	1.8	1.8	100.0
Spain	14.6	31.2	2 *	15.5	25.6	165.2
Italy	71.8	62.4	86.9	95.5	70.2	73.5
Norway	1.8	1.7	94.4	7.5	2.2	29.3
Poland	208.5	248.3	119.1	345.5	381.6	110.5
Portugal	1.0	0.1	10.0	6.4	2.4	37.5
Romania	150.2	179.3	119.4	137.4	178.7	130.1
USSR	4035.3	4737.6	117.4	4437.0	5169.0	116.5
Hungary	161.1	201.0	124.8	138.9	196.6	141.5
Finland	4.0	2.6	65.0	55.3	9.0	16.3
France	142.1	45.4	31.9	87.2	65.9	75.6
FRG	123.1	114.1	92.7	328.6	297.9	90.7
The Netherlands	20.1	18.6	92.5	44.7	70.5	157.7
Czechoslovakia	300.1	334.9	111.6	309.2	338.0	109.3
Switzerland	64.4	175.9	3 *	128.9	115.6	89.7
Sweden	9.4	9.0	95.7	32.5	25.6	78.8
Yugoslavia	76.2	49.8	65.4	58.1	76.0	130.8
Asia						
Afghanistan	5.4	6.5	120.4	0.6	0.4	66.7
Bangladesh	8.4	10.3	122.6	12.7	5.9	46.5
Vietnam	7.3	7.1	97.3	7.8	8.8	112.8

\* puti--fold (threefold, twofold, etc.)

Table 3. Exports and Imports by Country

(Continuation and end)

	Exports 9-month period 1982 1983 Million f.e. leva		9-month period of 1983 compared to 9-month period of 1982 (in %)	Imports 9-month period 1982 1983 Million f.e. leva		9-month period of 1983 compared to 9-month period of 1982 (in %)
	1982	1983		1982	1983	
India	105.2	5.8	5.5	14.1	11.6	82.3
Iraq	360.3	242.6	67.3	18.1	0.1	0.6
Iran	147.2	130.7	88.8	137.4	84.6	61.6
Jordan	22.5	14.3	63.6	1.6	8.0	5 *
China	11.7	20.8	177.8	11.4	12.3	107.9
Cyprus	2.3	1.3	56.6	2.6	1.1	42.3
Kuwait	3.7	12.2	3 *	0.4	1.0	3 *
Korean People's Democratic Republic	10.6	13.2	124.5	15.9	13.2	83.0
Yemen PDR	5.0	7.0	140.0	--	1.2	--
Lebanon	34.0	19.4	57.1	0.0	2.3	X
Mongolia	6.6	10.1	153.0	6.0	4.9	81.7
Pakistan	14.0	11.7	83.6	8.2	31.6	4 *
Saudi Arabia	8.1	10.7	132.1	0.0	--	--
Singapore	2.2	2.7	122.7	1.3	2.5	192.3
Syria	26.5	11.8	44.5	2.7	6.9	3 *
Turkey	69.4	98.2	141.5	18.4	19.0	103.3
Japan	6.9	10.0	144.9	61.0	53.4	87.5
Africa						
Algeria	62.6	58.0	92.7	1.6	3.0	187.5
Angola	2.6	15.7	6 *	--	0.2	--
Ghana	0.3	--	--	0.0	1.3	X
Egypt	5.6	7.9	141.1	7.7	4.8	62.3
Ethiopia	1.2	1.1	91.7	0.6	3.1	5 *
Libya	372.1	357.6	96.1	61.9	159.6	3 *
Morocco	6.2	5.4	87.1	8.9	7.2	80.9
Nigeria	33.8	31.4	92.9	0.1	4.7	47 *
Tunis	7.9	11.5	145.6	8.6	4.3	50.0
America						
Argentina	1.4	3.2	2 *	5.3	9.9	186.8
Brazil	5.2	21.8	4 *	8.0	26.1	3 *
Canada	2.5	3.1	124.0	1.5	2.3	153.3
Cuba	141.9	161.8	114.0	155.7	174.2	111.9
Peru	0.6	--	--	14.6	10.0	68.5
United States	25.1	14.4	57.4	88.5	50.2	56.7
Australia and Oceania						
Australia	1.6	1.4	87.5	1.4	2.8	2 *
New Zealand	0.0	0.0	100.0	0.9	0.5	55.6

Table 4. Exports by Commodity Section

	9-month period 1982 1983 Million f.e. leva		9-month period of 1983 compared to 9-month period of 1982 (in %)	% of commodity sections of overall volume of exports during 9-month period 1982 1983	
Total	7666.4	8405.0	109.6	100.0	100.0
Machines and equipment for production purposes	3662.3	4070.2	111.1	47.8	48.4
Fuels, mineral raw materials and metals	876.1	952.1	108.7	11.4	11.3
Chemicals, fertilizers and rubber	320.1	336.1	105.0	4.2	4.0
Construction materials and parts	133.9	148.3	110.8	1.8	1.8
Raw materials and products of their processing (excluding comestible)	91.8	127.8	139.2	1.2	1.5
Live animals (excluding for slaughter)	1.6	5.5	3 *	0.0	0.1
Raw materials for food production	362.7	358.5	98.8	4.7	4.3
Comestibles	1316.0	1381.6	105.0	17.2	16.4
Industrial consumer goods (non-comestible)	745.8	836.3	112.1	9.7	10.0
Operations of production nature not included in previous sections	156.1	188.6	120.8	2.0	2.2

Table 5. Imports by Commodity Section

	9-month period 1982 1983 Million f.e. leva		9-month period of 1983 compared to 9-month period of 1982 (in %)	% of commodity sections of overall volume of exports during 9-month period 1982 1983	
Total	7732.9	8604.6	111.3	100.0	100.0
Machines and equipment for production purposes	2523.2	2896.1	114.8	32.6	33.7
Fuels, mineral raw materials and metals	3645.2	4038.0	110.8	47.1	46.9
Chemicals, fertilizers and rubber	425.9	446.3	104.8	5.5	5.2
Construction materials and parts	58.1	61.7	106.2	0.8	0.7
Raw materials and products of their processing (excluding comestible)	352.3	417.8	118.6	4.6	4.9
Live animals (excluding for slaughter)	3.4	4.0	117.7	0.0	0.0
Raw materials for food production	238.6	256.2	107.4	3.1	3.0
Comestibles	77.9	85.9	110.3	1.0	1.0
Industrial consumer goods (non-comestible)	367.0	368.7	100.5	4.8	4.3
Operations of production nature not included in previous sections	41.3	29.9	72.4	0.5	0.3

Table 6. Exports of Some Commodities

	<u>Measure</u>	<u>9-month period</u>		<u>9-month period of 1983 compared to 9-month period of 1982 (in %)</u>
		<u>1982</u>	<u>1983</u>	
Total	Million f.e. leva	7666.4	8405.0	109.6
Including:				
Lathes	Thousand units	3.2	2.8	87.5
Milling machines	Units	280	191	68.2
Drills	"	1435	891	62.1
Timber processing machines	"	2818	2639	93.6
Electric motors	Thousand units	540.7	823.1	152.2
Pumps	"	56.4	42.8	75.9
Telephone relays	"	3980.0	4300.1	108.0
Automatic telephone switchboards	Million f.e. leva	58.4	74.2	127.1
Telephone sets	Thousand units	591.6	469.5	79.4
Radio telephones	"	49.7	66.2	133.2
Semiconductors	Million f.e. leva	4.7	3.9	83.0
Automobile batteries	Thousand units	459.8	445.6	96.9
Electric car batteries	"	27.5	30.2	109.8
Electric cars	"	30.3	29.6	97.7
Motor cars	"	18.0	20.3	112.8
Electric telphers	"	97.8	96.6	98.8
ELKA electronic calculators	"	49.0	49.5	101.0
Portable typewriters	"	29.0	63.9	2 *
Electric meters	"	172.7	115.1	66.6
Pressure gauges	"	854.9	883.6	103.4
Tractors	Units	3115	2953	94.8
Silage combines	Thousand units	28.1	29.2	103.9
Transplanting machines	Units	1870	2611	139.6
Ships and ship equipment	Million f.e. leva	91.2	104.9	115.0
Electric power	Million kw hours	1885.8	1958.1	103.8
Casting iron	Thousand tons	6.2	33.6	5 *
Ferromanganese	"	6.3	3.0	47.6
Heavy bars	"	168.8	107.9	63.9
T and U-shaped steel	"	4.8	2.9	60.4
Plate steel	"	14.8	13.8	93.2

Table 6. Exports of Some Commodities

(Continued)

	Measure	9-month period		9-month period of 1983 compared to 9-month period of 1982 (in %)
		1982	1983	
Sheet	Thousand tons	4.2	5.4	128.6
Rolled wire	"	14.5	26.9	185.5
Heavy sheet steel over 3 mm	"	339.2	350.6	103.4
Thin sheet steel through 3 mm	"	15.0	8.6	57.3
Steel plates	"	72.9	55.1	75.6
Zinc-plated steel sheets	"	22.8	50.6	2 *
Pipes	"	47.4	33.7	71.1
Bicarbonate of soda	"	3.3	3.8	115.2
Calcinated soda	"	854.7	708.7	82.9
Sodium nitrite	"	5.3	5.2	98.1
Sodium silicate	"	10.9	19.3	177.1
Carbamide	"	224.6	359.7	160.2
Polystyrene	Tons	55	270	5 *
Polyethylene	"	2248	2712	120.6
Ammonium sulfate	Thousand tons	41.1	69.9	170.1
Sodium saltpeter	"	4.6	8.0	173.9
Ammonium saltpeter	"	124.2	62.2	50.1
Zineb	"	10.7	11.1	103.7
Aniline dyes	Tons	410	490	119.5
Acetone	Thousand tons	7.0	9.7	138.6
Heavy-duty tires --sets	Thousand units	94.6	137.6	145.5
Electric and motor car tires--sets	"	207.3	205.3	99.0
Cement	Thousand tons	312.4	359.7	115.1
Window glass	Million square meters	2.9	2.6	89.7
High-tension insulators	Thousand tons	2.5	3.1	124.0
Earthenware tires	Million units	79.5	91.1	114.6
Marble slabs	Thousand square meters	116.8	144.7	123.9
Plywood	Thousand cubic meters	0.8	0.6	75.0
Parquet flooring	Thousand square meters	47.0	96.0	204.3
Sulfate cellulose	Thousand tons	8.4	8.3	98.8
Polyester chemical fibers (yambolen)	Tons	1759	1932	109.8
Lavender oil	"	81	74	91.4

Table 6. Exports of Some Commodities

(Continued)

	<u>Measure</u>	<u>9-month period</u>		<u>9-month period of 1983 compared to 9-month period of 1982 (in %)</u>
		<u>1982</u>	<u>1983</u>	
Rose oil	Kilograms	505	652	129.1
Medicinal herbs	Thousand tons	3.2	3.4	106.3
Oriental tobacco	"	48.4	50.5	104.3
Virginia tobacco	Tons	1017	597	58.7
Pulps	Thousand tons	9.6	11.7	121.9
Wheat	"	659.6	460.4	69.8
Calves	Thousand head	14.6	19.7	134.9
Weaned lambs	"	755.6	870.1	115.2
Lambs	"	84.2	160.4	190.5
Pork	Thousand tons	5.9	3.7	62.7
Veal	"	6.7	9.5	141.8
Lamb	"	0.7	1.2	171.4
Weaned lamb	"	13.6	14.0	102.9
Poultry meat	"	22.3	21.4	96.0
Canned meat	Tons	1630	2226	136.6
Canned meat with vegetables	Thousand tons	24.2	28.2	116.5
Lard	"	16.4	10.6	64.6
Feta	"	15.4	14.6	94.8
Kashkaval	Tons	2546	3261	128.1
Eggs	Million units	222.2	224.8	101.2
Fresh frozen fish	Thousand tons	26.4	22.3	84.5
Canned fish	"	2.7	1.3	48.1
Greenhouse tomatoes	"	4.1	6.6	161.0
Field tomatoes	"	69.8	64.8	92.8
Field peppers	"	24.1	23.7	98.3
Greenhouse cucumbers	"	7.5	8.6	114.7
Greenhouse peppers	"	1.1	0.7	63.6
Sterilized canned vegetables	"	163.0	154.7	94.9
Frozen vegetables	"	6.0	6.0	100.0
Tomato paste	"	23.2	27.5	118.5
Apples	"	18.9	47.0	2 *
Stewed fruits	"	47.5	46.3	97.5
Jams	"	5.8	4.6	79.3
Fruit syrups	Tons	5869	4736	80.7



Table 6. Exports of Some Commodities

(Continued and end)

		9-month period		9-month period
		1982	1983	of 1983
	Measure			compared to
				9-month period
				of 1982 (in %)
Fruit juices, concentrated (nectars)	Thousand tons	83.8	82.5	98.4
Frozen fruits	"	2.3	1.9	82.6
Sterilized mushrooms	"	1673	1604	95.9
Brandy	Million liters	3.4	4.3	126.5
Grape wines				
--table	"	163.0	158.4	97.2
Grape wines				
--liqueurs	"	35.4	46.0	129.9
Sparkling wines	"	8.7	10.1	116.1
Aromatic wines	"	5.7	5.3	93.0
Cigarettes	Thousand tons	53.2	56.6	106.4
Cotton fabrics	Million meters	13.1	15.6	119.1
Persian-type rugs	Thousand square meters	20.0	31.4	157.0
Chiprovtsi-type rugs	"	0.6	1.4	233.3
Kotel-type rugs	"	0.5	0.4	80.0
Men's suits	Thousand units	388.0	335.0	86.3
Ladies' dresses	"	4333.0	4563.0	105.3
Leather shoes	Thousand pairs	965.0	1080.0	111.9
Earthen and porcelain ware	Thousand f.e. leva	3065	3332	108.7
Wooden furniture	Million f.e. leva	46.9	51.1	109.0
Medicinal drugs	"	207.6	236.8	114.1
Toothpaste	Thousand tons	26.0	23.5	90.4
Motion pictures	Thousand f.e. leva	944	1007	106.7
Postal stamps	"	862	767	89.0
Newspapers and magazines	"	1984	2475	124.7

Table 7. Exports of Some Commodities

	<u>Measure</u>	<u>9-month period</u>		<u>9-month period of 1983 compared to 9-month period of 1982 (in %)</u>
		<u>1982</u>	<u>1983</u>	
Total	Million f.e. leva	7732.9	8604.6	111.3
Including:				
Metal-cutting machines	"	85.6	107.8	125.9
Power equipment	"	103.6	110.2	106.4
Electrical engineering equipment	"	67.5	90.4	133.9
Electric motors	Thousand units	21.2	54.6	3 *
Electronic computers	Million f.e. leva	15.0	11.4	76.0
Typewriters	Units	2757	1129	41.0
Bearings	Million units	13.3	11.9	89.5
Tractors	Units	1622	1510	93.1
Grain combines	"	992	884	89.1
Trucks	Thousand units	10.4	7.4	71.2
Buses	Units	408	372	91.2
Passenger cars	Thousand units	41.1	34.2	83.2
Ships and ship equipment	Million f.e. leva	43.5	48.5	111.5
Electric power	Million kw hours	4045.8	3536.2	87.4
Coke--metallurgical	Thousand tons	286.4	351.5	122.7
Coke--casting	"	75.3	87.9	116.7
Coal (excluding anthracite)	"	3955.5	4060.9	102.7
Anthracite	"	1456.6	1332.6	91.5
Iron ore	"	1842.6	1819.3	98.7
Pig iron	"	232.4	252.4	108.6
Steel in ingots	"	563.3	862.1	153.0
Plate steel	"	81.7	95.4	116.8
Medium heavy-plate steel	"	73.0	68.4	93.7
Steel sheets	"	75.0	80.7	107.6
Apatite concentrate	"	321.8	331.4	103.0
Superphosphate	"	202.3	314.5	155.5
Potassium fertilizers	"	135.2	176.8	130.8
Raw phosphates	"	229.5	212.3	92.5
Plant production chemicals	"	15.7	14.5	92.4

Table 7. Imports of Some Commodities

(Continued and end)

	<u>Measure</u>	<u>9-month period</u>		<u>9-month period of 1983 compared to 9-month period of 1982 (in %)</u>
		<u>1982</u>	<u>1983</u>	
Aniline dyes	Tons	2222	2290	103.1
Natural rubber	Thousand tons	13.1	7.3	55.7
Heavy-duty tires				
--sets	Thousand units	86.9	77.7	89.4
Coniferous lumber	Thousand square meters	210.9	257.2	122.0
Cellulose	Thousand tons	91.9	125.7	136.8
Newsprint	"	30.8	30.5	99.0
Cigarette paper	"	4.0	3.9	97.5
Fine wrapping paper	Tons	3690	4709	127.6
Cotton	Thousand tons	31.2	61.3	196.5
Wool	Tons	692	789	114.0
Wool-type rayon				
staples	"	103	30	29.1
Artificial silk yarns	"	446	568	127.4
Raw cattle hides	"	3874	7561	195.2
Raw small animal				
hides	Thousand units	1036.0	798.0	77.0
Groats	Thousand tons	152.9	171.0	111.8
Unrefined sugar	"	240.5	299.5	124.5
Raw cocoa beans	"	4.6	5.6	121.7
Raw coffee beans	"	1.3	5.0	4 *
Oranges	Thousand tons	18.5	13.9	75.1
Tangerines	Tons	526	317	60.3
Lemons	Thousand tons	7.7	7.2	93.5
Grapefruit	Tons	5413	3930	72.6
Olives	Thousand tons	6.4	4.9	76.6
Cotton fabrics	Million meters	8.5	8.1	95.3
Medicinal drugs	Million f.e. leva	61.5	70.1	114.0
Household clocks	Thousand units	792.2	757.9	95.7
Photographic				
cameras	Thousand units	59.8	84.8	141.8
Household sewing				
machines	"	38.5	50.2	130.4
Television sets	Thousand units	121.0	126.0	104.1
Refrigerators	"	16.3	11.9	73.0
Vacuum cleaners	"	147.9	83.8	56.7
Washing machines	"	87.0	82.3	94.6
Tape recorders	"	23.3	13.8	59.2
Accordions	"	0.8	2.1	3 *
Motion pictures	Thousand f.e. leva	1361	1880	138.0
Postal stamps	"	193	367	190.2
Newspapers and				
magazines	Thousand f.e. leva	7.6	8.7	114.5

Committee for Unified System for Social Information of the Council of  
Ministers

"National Economic Sectors" Activity, "Foreign Trade"

Format 1/16 65/92

Published in 325 copies

Committee for Unified System for Social Information Publishing House and Press

5003

CSO: 2200/61

SHORTAGE OF POTABLE WATER NECESSITATES CONSERVATION MEASURES

Bratislava ROLNICKE NOVINY in Slovak 9 Jan 84 p 1-2

[Article: "We Are Saving Every Drop; It Is Not Enough Simply To Close the Tap Properly"]

[Text] One of the most frequently posed questions today concerns the problems of the rational consumption of potable water. And rightly so, because water is one of the basic substances essential to life. With the growth of towns and cities, however, its consumption is growing constantly. While the daily per capita consumption of water in Slovakia was 290 liters of water per day 23 years ago, by 1980 this figure had increased to 405 liters per day.

Therefore, the requirement to conserve and to use as efficiently as possible each liter of water is very pertinent. After all, the past as well as the present have taught us that it is necessary to conserve even water. We are also being forced to do this because in many Slovak areas serious problems have arisen in the supplying of the population and industry with potable and process water.

In the West Slovak kraj many okreses are experiencing water problems. Statistics show that it is precisely in this kraj that there has been the greatest increase in the supplying of the population with potable water through water mains. The share of the total supply carried by mains has increased since 1966 by a factor of almost three and deliveries of water to the population by a factor of almost four. Currently the average daily per capita water consumption is about 300 liters, which is already more than the projections of the water management plan for 1985.

Even though central Slovakia is a country of mountains which are able to catch significant amounts of water, several areas are beginning to experience a perceptible shortage of it. The Hron River resembles at the present time rather a large stream and ground water levels are also declining substantially. The reason for this is a large moisture deficit. This is felt less in Zvolen and its environs, where for the time being there is enough potable water. This is not the case, however, in the Banska Bystrica okres. According to the director of the Central Slovak Water and Sewer Works in Banska Bystrica, Eng Milan Leitman, the flow from sources of potable water has declined by 120

liters per second since the summer and continues to decline. Improvement may be expected only in the spring, and in the meantime it is necessary to conserve water very strictly.

With the assistance of national committees, an appropriate regulational level is being decreed in individual villages. At present, level three is in effect in Donovaly, Lom nad Rimavica and in Benus. For instance, at night in Donovaly the main for potable water is shut off. By morning the reservoir level has again increased. Water must be transported to the village of Drabsko and water resources in Benus are also being supplemented with tanks. In other villages and towns regulation level two is in force, which requires, among other things, limitations on the availability of hot water. Larger problems are occurring with water supplies in Balazy, Poniky, Lubietova, Hrochot, Lucatin and Polomka, as well as in several other villages. In the event of further worsening, these areas will be forced to hook up to replacement water sources, the quality of which will have to be monitored constantly, and become involved in the shipping of tanks of water.

A comparison of the actual stock of living space with the needs of potable water calculated according to standards indicates that the average consumption in the kraj is 202 liters per person per day. The water supply situation is unfavorable in most of the okreses of this kraj. The deficit grew from 110 liters per second in 1970 to 948 liters per second in 1982. This is a volume that, given standardized per capita daily consumption, would be adequate for supplying a city with more than 200,000 inhabitants.

The main water source for Kosice, the Bukovec water management reservoir, has been displaying a continually declining trend caused not only by water consumption but also by a reduced inflow. Water supplies to this kraj capital have so far been smooth, with regulation applied only to warm water. Beginning next week cold water will also be regulated. The situation is no better in the other okreses of East Slovakian kraj.

In Poprad, for instance, water supplies to the Juh apartment complex are shut off from 2300-0430 hours, and to the Zapad complex from 1700-2300 hours. In the Humanna okres reductions in water deliveries to socialist organizations continue to be in force, with deliveries stopped to organizations with their own water sources. City residents are supplied with warm water every other day. This has caused a very serious situation in this okres for particular types of livestock. Most agricultural enterprises are being forced to bring in water for their operations from other sources. The united agricultural cooperative in Vyrava, for instance, is bringing in 30,000-40,000 liters of water per day in tanks.

9276

CS0: 2400/178

LACK OF WATER , EFFECT ON CROPS DISCUSSED

Winter Grains Endangered

Prague ZEMEDEL'SKE NOVINY in Czech 14 Jan 84 p 1

/Article: "Moisture Would Help"/

/Text/ Even though it is still a long way to the spring, the agronomists of the Central Bohemian kraj are regularly monitoring the condition of winter grain crops. As we learned from the chief agronomist of the kraj agricultural administration, Eng L. Klupak, at present the winter grain crops are not in the kind of condition that every farmer hopes for, because in practically all okreses of the kraj there has been a continuing and serious lack of moisture. The stands would be helped by at least a 20-centimeter covering of snow that would stay in place through February. The old proverb still holds--a white February makes the fields grow.

Winter grain crops in Slovakia are also lacking significant moisture. The first biological inventory-taking classified 82.1 percent of the stands of winter wheat as either adequate, good or very good. Last year there were 11 percent more of these. The thickest stands are in the East Slovak kraj, the region that has received the most precipitation. The stands of winter rye and barley are in better shape than those of wheat, while the thickness of the beet stands and their overall conditions is unfavorable. The development of the winter grain crops will be determined by the weather of the second half of January and in February. The planters are accumulating an adequate reserve of spring barley, corn and sunflower seeds to make up for any plowing under that may be necessary.

Water Level Reduced

Prague MLADA FRONTA in Czech 12 Jan 84 p 1

/Article by Maria Ptackova: "Snow on the Bottom: Summer Wading in Lipno Decided by Spring Weather"/

/Text/ The Povodi Vltavy teletype at the Horni Vltavice factory in Ceske Budejovice yesterday morning spit out the following data: height of the water in the Lipno reservoir at an altitudde of 719.77 meters, inflow 3.3 cubic meters per second, outflow from the equalization reservoir in Vyssi Brod 10 cubic

meters per second. Air temperature minus 5, water temperature in Lipno I reservoir 0.3°C. Snow depth 15 centimeters. These few numbers from the Hydrometeorological Institute are enough to provide experts with a precise picture of the situation at Lipno, something that the general public has an interest in now as well. We therefore asked Jaroslav Navar of the Povodi Vltavy for a more detailed explanation.

"A reduction in the height of the water in the Lipno reservoir by 5 meters in comparison with the situation of this past summer is an important preparatory step in the planned maintenance of the 3.5 kilometer-long discharge tunnel leading from the underground power plant right into the equalization reservoir in Vyssi Brod. Even though this maintenance will be started at the beginning of April, and will of course necessitate the shutting down of the power plant and the locking of the outside gate of the discharge tunnel, we have to start now to create a so-called retention space to catch a potentially large inflow of water during the spring."

A quarter of a century ago tourists came to this manmade sea in southern Bohemia for recreation. Now, when its open bottom has been covered by snow, the Vltava looks the way it did then. The heart of the Vltava has also been revealed, formed by numerous twisting riverbeds over a relatively short gradient, along with the remains of the original construction in some places. For how long? "Beginning March, when we will be reducing water outflow to a minimum, i.e., to about 6 cubic meters per second under the equalization reservoir, the water level should again gradually increase. The weather is the most important factor in answering the question of how much water will be in the Lipno reservoir in the summer, but one may assume that it will be equivalent at least to the level of last year."

While the totally stone walls of the 8-meter wide and 7-meter high tunnel are waiting for 600 reinforced concrete anchors, the overhaul is proceeding at full speed on the second power generation set in the power plant. On Tuesday the difficult task of positioning a 220-ton rotor on a generator stator was completed, meaning that the work crews of the Plzen Skoda Works and of Blansko Ceskomoravska-Kolben-Dznez could begin hooking up the transmission system between the generator rotors and the Francis turbines. I was informed by Jiri Helebrandt, power plant director, that the pace at which work is proceeding means that a 60-megawatt set will be ready to start generating electricity by 15 March.

9276

CSO: 2400/179



SUPPLY OF SLAUGHTER ANIMALS EXCEEDS PROCESSING CAPACITIES

Prague ZEMEDEL'SKE NOVINY in Czech 17 Jan 84 p 1

[Commentary by regional reporters on January procurement of slaughter animals:  
"Supply Keeps Increasing"]

[Text] There appears to be an approximately 1-day purchase lag in procurement of slaughter animals at the present time. It could be thought of as a temporary slowdown to catch up with things. Even though Meat Industry's personnel do their best, for the time being they are unable to take delivery on the entire supply of horned animals and hogs for slaughter from all agricultural enterprises. There occurred a recent increase in meat supplies and over the past several days market sales were lower than expected. Inadequate storage capacity thus prevents the procurement of higher numbers of animals for slaughter.

More detailed information on the progress of the procurement of slaughter animals is provided by regional reporters.

Calling on Martinov and Liberec

Things have not been easy for food processors of East Bohemian Meat Industry in Brezhrad. This is due to several causes. Their current problems are constituted primarily by an increased supply of slaughter animals from agricultural enterprises, by having exhausted their refrigeration capacities and, most of all, for a failure to meet the operational plan for taking deliveries stipulated by general management of the Meat Industry organization. It stands to reason that the temporary lower demand on the consumer market also had a negative effect on the region in this respect. The consequence of all this was the inability of the processors to take delivery in the first 10 days of January on 541 tons of slaughter animals, 385 tons of them hogs and 117 tons horned cattle. The leadership of the East Bohemian Meat Industry in Brezhrad is looking for measures to alleviate this situation as soon as possible, primarily in cooperation with the Refrigeration Plants Dasice. Priority is also currently given to slaughtering the heaviest slaughter animals to preclude unnecessary consumption of high-grade fodder in agriculture.

Nevertheless, it is imperative that obligations issuing from the above-mentioned plan toward the East Bohemians be met by personnel of the Meat Industry organization in Ostrava-Martinov as well as in Liberec.

#### Storage Facilities Are Inadequate

Even though 500 tons of hogs for slaughter in excess of the original agreement were sold to the Central Bohemian Meat Industry in December of last year, due to higher increments there has now developed a more difficult situation in sales of animals for slaughter. This situation prevails particularly in the districts of Nymburk, Kutna Hora and Rakovnik. As we were informed by the head zootechnician of the Central Bohemian Regional Agricultural Administration, Eng Vaclav Vita, all agricultural enterprises were endeavoring to increase the slaughter weight of animals, which in the Central Bohemian region is the lowest in the CSR. This endeavor also became reflected in the first 10 days of January, when the average slaughter weight reached 494 kg for horned cattle and 117.4 kg for hogs. Personnel of the Meat Industry organization would gladly meet farmers half way and buy more slaughter animals, but their efforts are thwarted by inadequate storage capacities. This situation must be dealt with to meet future needs.

#### Slowdown in Turnover

The plan for procurement of hogs for slaughter is being met in the West Bohemian region without any major difficulties, even though slaughter weights in places are near their upper limit. The situation is more complicated in the case of horned cattle, the procurement of which is lagging throughout the region. The pressure by agricultural enterprises to sell off cows and steers eliminated from fattening programs is considerable. However, the Meat Industry organization is currently unable to deal with the increased supply, mainly because of limited storage capacities. Thus, the region is behind in meeting the procurement plan by almost 200 tons of horned cattle for slaughter. What makes matters worse is that turnover of the herd is lagging and problems are encountered in the incorporation of younger horned cattle.

#### Greater Influx of Raw Material

After the busy work period experienced by the South Moravian Meat Industry plants operating in Vysocina there once again set in "normalization" and procurement continues smoothly. In the first 10 days of January the South Moravian Meat Industry's Plant 06 in Kostelec procured 236 tons of horned cattle for slaughter, meeting the plan by 99.6 percent. In procurement of hogs the plan was met in the 10 days by 101.9 percent, i.e., 268 tons of hogs for slaughter. Plant 07 in Krahulec exceeded planned procurement in the 10 days by a wide margin. For the time being they are able to process this influx of raw materials, but since meat sales noticeably decreased they are processing it primarily into canned and durable products.

#### Bruntal Region Proceeds According to Plan

As can be seen from the first 10 days of January, farmers of the North Moravian region are following up on last year's favorable balance. During

this period they met procurement of animals for slaughter by 105.1 percent. Acknowledgement for work well done is due at the outset of the new year also to personnel of the Bruntal State Farms regional enterprise, the greatest animal keeper in the region. Our reporter was familiarized in close detail with the tasks of farm animals sales in January by the head of the sales department of Bruntal State Farms, F. Docek:

"In January we are to sell to the Meat Industry organization 1,000 tons of animals for slaughter and 80 tons of hogs for slaughter. Detailed plans for procurement of animals in all 11 branch plants of the enterprise provide a guarantee that the planned quota for January will be met. At the same time we put great emphasis on selling animals at a uniform rate."

The Meat Industry organization is taking measures toward improving the situation in sales of fattened animals in the shortest time possible. For the time being it uses a differentiated procurement of animals, priority being given to hogs and horned cattle for slaughter of a higher slaughter weight to preclude wasting of high-grade fodders. Priority is also given to bringing to slaughter lines animals from enterprises with smaller stockpiles of fodders.

8204

CSO: 2400/181

AVAILABILITY, QUALITY OF CONSUMER GOODS CONTINUING PROBLEM

Demand Exceeds Supply

East Berlin BERLINER ZEITUNG in German 17/18 Dec 83 p 9

/Article by Dr K.-H. Arnold, member, People's Chamber/

/Text/ At this time of year it is easier than at any other to determine the ranking, indeed the key social function of industrial consumer goods. They even seduce some people to devote some of their working hours to shopping. Still, wherever orderliness rules (work and payment orderliness), a lot of good merchandise inspires performance. Just that is what we need because--as we will know--the satisfaction of our needs depends on the economic result, composed of millions of individual performances.

Two weighty paragraphs in Erich Honecker's address to the Seventh Plenum point out still other aspects, especially the fact that consumer goods production is an area of long-range growth; it is bound even more crucially to codetermine the profile of our economy. As for growth, we may well add: There is a field for it indeed, our domestic market, the giant market of the Soviet Union and other socialist countries as well as the nonsocialist market where a combine is quite able to hold its own and get good prices, provided that its employees know their business; we do have evidence to that effect, though not enough.

It would be a mistake even to assume that the GDR's domestic market might be surfeited in the foreseeable future with respect to interesting technical consumer goods. We count 6.5 million households, almost 4.8 million of these consist of two or more persons. If only every tenth of these multiperson households were of a mind to buy an automatic toaster with a roll attachment, the manufacturer--Dresden Electrical Household Appliance VEB--, producing 100,000 such toasters annually, would need almost 5 years to meet the current demand.

This example indicates that half a million pieces per annum is just about the right volume for a high-quality product of this kind (and we might cite many other technical consumer goods) to make a genuine impression on the domestic market. At the same time our industry is also obligated to the export trade. Furthermore, enterprise profits depend on the volume of output, and that in turn depends entirely on rational technology.

We thus have a wide-ranging topic for reflection. It involves especially new ideas, the organization of production fully responsive to demand, and prior to all that the balancing of a growing consumer goods production that itself needs many thousands of components before being able to satisfy our needs. Nor must we ever forget that the priority requirement is for high-quality industrial (not only technical) consumer goods whenever we contemplate the push to be organized and, to some extent, already in progress. Simultaneously we must guarantee the supply of merchandise in daily demand and even that not quite in daily demand--let us say mousetraps. This may appear an extreme example, but it does symbolize all those goods we urgently need from time to time. He who wants to get the upper hand of mice but has no cat simply cannot do without a trap.

Mousetraps must also be manufactured. However, custom-made for GDR industry are high-quality consumer goods, high-quality in the meaning of function, appearance and operation. Both at home and abroad people are prepared to pay an appropriate price for such merchandise. In his address to the plenum, Erich Honecker talked of tradition and industrial potential. In fact our country enjoys a good or even excellent reputation with regard to far more than a dozen such items, and we have the capability of getting far more first class stuff on the market--and in large volume.

It remains to be seen whether all combines of the investment goods industry are already past the stage of thinking about the production of a "new" potato peeler. We may, however, claim quite confidently that the importance the leaders of the SED and our state assign consumer goods production completely responds to the wishes of the public. To cite an example by way of comparison: The situation here is similar to that of housing construction, the No 1 of our social policy. Here as there we are ultimately concerned with the broad social effect of an economic process requiring total commitment and designed to meet the wishes of many people.

#### Shortage of Repair Services

East Berlin BERLINER ZEITUNG in German 20 Dec 83 p 3

/Article by Axel Frohn/

/Text/ The statistics for Berlin now record some 500,000 households. Almost every modern household (on the average) has a refrigerator, a washer does the laundry in four out of five. The sum total of household appliances is currently 2.5 million, and stocks are growing year by year. However different refrigerators, washers, dryers or gas stoves may be, sooner or later all of them need repairs.

The specialists of the Household Appliance Service Combine VEB, Berlin district directorate, are the ones to help in these emergencies. A telephone call is enough. Each city district has been assigned a special telephone number, and, from 07.00 hours to 17.00 hours on weekdays and from 07.00 hours to 13.00 hours at weekends, operators accept orders for the repair of the following appliances: Household refrigerators and freezers, washers, major gas and electric household appliances.

Unfortunately the caller's patience is often sorely tested while he tries to get a call through to the respective number. On Mondays, especially, this is a difficult

endeavor. Calls get through more rapidly at weekends (an opportunity not sufficiently exploited). The service accepts roughly 1,500-2,000 orders daily.

Once the customer has reported the type of appliance and the defect, he is given an appointment for a day 6-10 days off. This delay is quite within the framework of the state standard. On the day of the repairman's appointed call, the customer must plan for around 3 hours. Still, exceptions confirm the rule even in the case of waiting times. Last summer, when the long lasting heatwave got the better of many a refrigerator, repair applications took an upward leap and delays were longer than normal though still within the 10 day period. The household appliance service did, however, get more complaints than usual.

#### Delays Annoy Not Only the Customers

The incidence of complaints is far smaller than might be assumed: Last year they amounted to 15 per 1,000 completed repairs; the total was 782. Leaving aside positive reactions (and there are those), people objected less to delays, the attitude of the repairmen and the work they do than to the poor quality of the replacement parts used. Some of these broke down as soon as the repairman had left the premises. The customer then needed to resume the round of expensive telephone calls and waiting for the repairman to return.

Another cause of annoyance is failure to stick to the agreed date. However, this cuts both ways and affects repairmen as well as customers. On the average a repairman fails to find 1-2 customers at home in his 12-13 repair calls per day. This plays havoc with the schedule planned on the basis of average repair times. The household appliance service thus also has some cause for complaint.

To cut waiting times, customer service repairmen are increasingly trained to be more versatile, so that refrigerator specialists may be able to assist the gas appliance specialists in the fall and winter months, and vice versa.

The Household Appliance Service VEB, too, is confronted with the need to accomplish greater performances with fewer funds. It does that. While more and more households are now equipped with high-quality technical consumer goods, the number of repairmen has remained static. In Berlin 245 repairmen are at work each day, 220 of them on home calls.

In order as far as possible to avoid empty runs of the "Trabant" service vehicles, schedules are optimized: Each repairman is given repair orders and spare parts in his area for 3 days--in most cases he services his own residential district. That is a reasonable arrangement.

Seventy vehicles are radio equipped. In case of freezer breakdowns, they get to the affected customer within 18 hours--from 07.00 hours to 20.00 hours.

In 1980 the average combine repairman handled 1,486 repairs with a replacement part turnover valued at M112,832. Last year the repair figure had grown to 1,800 while replacement part turnover had declined to a value of M105,484. This trend is likely to continue in the years to come: Instead of the complete exchange of defective components and subassemblies by new parts, repairmen increasingly rely on the use of reclaimed components. They are just as efficient and far cheaper to the customer.

## Increased Use of Modern Test Devices

Next year, for example, the formerly customer exchange of the complete set of refrigerator coils will largely yield to the repair of the defective component. Though it takes longer to trace the defect in place, from the national aspect this is a more satisfactory procedure--taking into account the cost of materials and transportation.

The service personnel of the combine consider further reserves for their own productivity to be found in the increased use of modern measuring and testing aids to help them to more quickly trace malfunctions in the workshop.

The quality of equipment exerts a significant influence on the work of the Household Appliance Service VEB. Manufacturers vary widely in their response to the purchaser's wish to use the washer or refrigerator as long as possible without any breakdown. While, for example, household refrigerators type H 130 have a lower breakdown rate than expected, the frequency of such breakdowns in electric stoves is 3 times greater than planned. The highest rate of breakdowns is recorded for automatic washers: Its Achilles heel is the switching mechanism.

Improvement of the reliability of household appliances is therefore the key issue involved with regard to better performance by the customer service. If the rate of washer breakdowns were to decline by only 1 percent, the service could afford to employ 1 repairman less. National targets through 1985 therefore provide for a significant reduction in breakdowns of automated washers, refrigerators, electric and gas stoves by the guaranteed improvement of manufacturing processes in the producer enterprises.

To sum up: The household appliance service has so far managed to satisfactorily cope with the annual increase in repair and maintenance tasks at declining costs and with a static labor force. Advanced training of repairmen is designed to raise their versatility and cut waiting periods for the customer. Improvements in the quality of built-in replacement parts represent important reserves for better service to the customer and his appliances.

Another imperative of good customer service: A pleasant attitude is vital, from the stage of the acceptance of repair orders by the telephone operator on. It would be desirable in future to extend greater consideration to the particular situation of the customer when setting dates for repair calls--examples that come to mind are families with small children, seniors and so on.

11698

CSO: 2300/272

GERMAN DEMOCRATIC REPUBLIC

FIGURES RELEASED ON SHIPBUILDING FOR 1983

Rostock OSTSEE-ZEITUNG in German 18 Jan 84 p 6

[Article by Dr Dieter Strobel: "GDR Ship Building 1983/1984; New Types of Ships with a Great Utility Value Determine the Profile of GDR Ship Building; Successful Year-end Balance for 1983--67 Ships Built; 50 Percent of the Construction Program Overhauled in One Year"]

[Text] Today there are not very many shipyards which build ships, day-in, day-out.

And today there are even less shipyards which know years in advance what is to be built.

The GDR's shipbuilding industry is one of those few sectors. For it, this sort of thing is routine, everyday practice. This is illustrated by the fact that the 1983 output grew by more than 7 percent in terms of value and that also applies to the 1984 competition targets. In 1983, GDR shipyards built 67 (1982, 58) ocean-going vessels in 15 type designs with a gross tonnage totaling 382,033 GT (gross tonnage) (1982, 355,443 GRT); these ships were sold to shipping companies from five countries through Schiffskommerz, the state foreign trade enterprise of the Shipbuilding Combine VEB. Of that number, 53 were sold to the Soviet Union which once again was the main customer.

A new customer country was Gabon in West Africa which purchased two 12,620-t-carrying multipurpose freighters of the "Neptun" type. With five ship types placed in production, more than 50 percent of the building program were renewed within a year. This involves new designs whose utility value was increased by more than 30 percent compared to earlier models.

They are the following:

The type LO/RO 18 multipurpose freighter (18,020 t carrying capacity) by the Warnemuende Warnowwerft [Shipyard];

The freezer-trawler-seiner by the Stralsund Volkswerft [State Shipyard];

The type Kristall II refrigerator and transport vessel (13,300 m<sup>3</sup> refrigerator hold volume) by the Mathias-Thesen Shipyard in Wismar;



The type CBK 1700 container-freighter for inland navigation and coastal shipping;

The type 302 inland passenger vessel for 332 cabin passengers and, as an individual, one-time model, the surveying vessel "Impuls."

The three last-mentioned vessels were built by VEB Elbewerften Boizenburg/Rosslau.

This means that 15 new ship types have been built since 1981 and decisive prerequisites have been created for renewing the entire building program by 1985. The ship engine and system construction enterprises of the combine played a particularly important role here; they have already almost completely renewed their production program in the accessory sections of the shipyards and made these new ship generations possible with energy-saving, two-stroke diesel engines, ship gears, wave generator gears, cross-jet rudders with adjustable propellers, special transloading systems, such as ramps and lifting platforms, fishing industry equipment, switching and control equipment on a microelectronic base, freezer installations and environmental protection systems.

#### Series Switch-Over Results in Output Increase

Just exactly how the shipbuilding industry discharged its responsibility to the national economy was proved above all by the work force on Strelasund and its production cooperation partner. With the production of the six last Atlantik supertrawlers and 24 freezer-trawler-seiners during the first year of the series, as well as 24 ship repairs, the State Shipyard accomplished a task that had never before been seen in shipyard history. For the first time it was possible, in spite of the tremendous series switch-over, not only to continue but also considerably to surpass the high performance level of the series which was now running out and which had been produced for more than 10 years.

With an average production time of 100 days (including 38 days from the keel-laying to the actual launch, 45 days from launching up to the acceptance run, and 17 days from the acceptance [trial] run all the way to flag change) it was possible, on the average, to finish one fishing vessel unit every 7 work days.

The GTS (freezer-trawler-seiner) is a medium-sized, part-automated fishing and factory vessel with a length overall of 62.50 m, specially designed for use within the 200-nm economic zones of coastal states; it can nevertheless be employed universally and conducts fishing operations primarily within a flotilla formation. The 40-man crew can daily process up to about 45 t of fish. The ships are home-ported in Murmansk, Vladivostok, Klaipeda, Kaliningrad, and Riga; they will increasingly help carry out the USSR's essential food program. Another 34 GTS will be delivered in 1984. This fighting target, which includes a net output increase to 110.4 percent and a labor productivity increase to 109.8 percent, again clearly shows that the State Shipyard is once again among the competition initiators in this bezirk.

## New Ship Type in Record Building Time

Last year, the LO/RO by the Warnowwerft set the standard both in engineering terms and concerning the deadline for the more than 20 ship types which are to be newly developed in the Shipbuilding Combine. The construction data alone speak for themselves:

Laid down on 4 May 1983, launched on 23 August, delivered on 31 December, flag changed on 10 January 1984, leaving the shipyard 2 days later.

This ship type is a universal supplement for the fully containerized vessel, for the RO/RO, and for the piece goods freighter. The abbreviation LO/RO here stands for combined cargo transloading, in the conventional (vertical) manner, in the form of Lift-on-Lift-off, as well as horizontal loading and unloading of rolling goods in the form of Roll-on-Roll-off.

This ship type has five cargo holds in which 25,380 m<sup>3</sup> of piece goods or 19,090 m<sup>3</sup> of bulk goods can be stowed. In the 'tween-deck section it is possible to drive all the way through up to and including cargo hold 2; this section offers a parking space of 2,370 m<sup>2</sup> for rolling cargo, for example, a maximum of 232 Lada passenger cars. On deck, 529 container positions are available, including 287 in the cargo holds, with a maximum of five layers, and 42 on trailers, as well as 30 refrigerator containers with their own refrigeration unit.

The transloading equipment consists of a through-swing 125-t cargo boom, two 25-t swing-booms that can be worked with the crane, two double ship luffing cranes with a carrying capacity of twice 12.5 t, each, with a maximum of 22 m reach. A three-part, 25-m long angle stern ramp, with a useful lane width of 5.80 m, is provided on the stern, on the starboard side, for loading and unloading rolling cargo. Lifting and lowering is accomplished by cable traction, while folding, locking, and pier spacing are accomplished by means of a hydraulic system. When in the closed position, the ramp seals the stern opening water-tight.

The cross-jet rudder which is installed in the bow and which is based on the adjustable propeller principle (a new development by the Rostock Diesel Engine Plant) has a capacity of 740 kw/1,000 hp and guarantees a high degree of maneuverability. The vessel "Astrakhan," which is operated by the Baltic Shipping Company, is to sail to Cuba on its maiden voyage. Other LO/RO vessels will follow in 1984; the vessel "Rostov" (Serial Number 122) will at the same time be the shipyard's 300th ocean-going freighter.

## Output Increase through Output Comparison

Ships from the GDR are proving themselves under the flags of more than 50 countries. This must continue to be true also in the future. This is why 56,000 combine employees are doing research and development work and are producing top-level results to meet the requirements of the world market.

In line with the seventh conference, the 1983 reproduction process was analyzed in a critical and creative manner; what was achieved was compared with what was achievable and output comparison was improved into a more effective, more precisely measurable and accountable management instrument. Each personnel force and each individual will be enabled step by step to work according to the combine's optimum technologies, to make more intensive use of time, machines, and material, and to make their contributions so that the Shipbuilding Combine in 1984:

Will produce 72 ships,

Will increase the net output to 109.4 percent,

Will increase consumer goods output to about 140 percent, and

Will further raise the technological level through top technologies.

Table 1. 1983 New Construction\* by Shipyard

Shipyard	Number of ships	Gross tonnage in GT	Carrying capacity in t
VEB Warnowwerft Warnemuende	10	149,888	175,856
VEB Volkswerft Stralsund	30	69,966	28,110
VEB Mathias-Thesen-Werft Wismar	7	80,121	89,570
VEB Schiffswerft "Neptun" Rostock	7	49,166	64,534
VEB Elbwerften Boizenburg Rosslau	12	32,652	14,890
VEB Yachtwerft Berlin	1	240	--
Total	67	382,033	372,960

(\*) Only ocean-going or lake and inland vessels

Table 2. 1983 New Construction by Ship Types

	Number of Ships	Gross tonnage in GT	Carrying capacity in t
Freighters	26	248,570	311,708
Fully-containerized vessels	3	53,535	48,090
Ro/Ro and Lo-Ro vessels	3	25,277	31,540
Multipurpose freighters	10	117,875	163,358
Special bulk goods freighters	3	42,027	57,756
Lake and inland freighters	7	9,856	10,964
Fishing vessels	33	107,115	56,160
Fishing and factory vessels	30	69,966	28,110
Refrigerator vessels	3	37,149	28,050
Miscellaneous	8	26,348	5,092
Inland passenger vessels	4	21,388	2,220
Bucket-chain floating dredges	2	3,312	1,160
Fire-fighting vessels	1	240	--
Surveying vessels	1	1,408	1,706
Total	67	382,033	372,960

Table 3. Share of Product Groups out of 1983 New Construction

Product Group	No of ships	Gross tonnage in GT	In % base gross tonnage
Freighters	26	248,570	65%
Fishing vessels	33	107,115	28%
Miscellaneous	8	26,348	7%
Total	67	382,033	100%

5058

CSO: 2300/260

STATE BUDGET FOR 1984 PUBLISHED

Budapest MAGYAR KOZLONY in Hungarian No 60, 27 Dec 83 pp 1153-1154

[Text] Law IV. of 1983 Concerning the 1984 Budget of the Hungarian People's Republic

In tune with the national economic plan for the year, the projected state budget for 1984 promotes the realization of our economic policy goals, the improvement of budget balance and the assertion of the requirements of frugality.

Taking all of these and the regulations in Law II. of 1979 concerning state finances into consideration, Parliament is enacting the following law:

Principle Sums

Section 1. Parliament establishes the 1984 budget of the Hungarian People's Republic as

563,200,000,000 (five hundred sixty-three billion two hundred million) forints income,

566,700,000,000 (five hundred sixty-six billion seven hundred million) forints expenditures and

3,500,000,000 (three billion five hundred million) forints deficit.

Detailing Income

Section 2. The sum of tax and other payments by the business enterprises--including the social insurance contributions--is 465,200 million forints, 82.6 percent of the total income.

Section 3. The sum of taxes and fees paid by the population--including social insurance and retirement contributions--is 40,800 million forints, 7.2 percent of the total income.

Section 4. The sum of incomes and payments from the budget organs--including the social insurance contributions--is 46,550 million forints, 8.3 percent of the total income.

Section 5. The sum of miscellaneous incomes derived from international financial relations and other sources is 10,650 million forints, 1.9 percent of the total income.

#### Detailing of Expenditures

Section 6. In order to support the investment activities of the state business enterprises, the agricultural cooperatives and the budget organs, to increase the monetary requisites of council development funds, to support housing construction by the private sector, to make allocations to the revolving fund associated with state investments, to supplement the developmental funds of enterprises and large agricultural enterprises, and to replenish the Credit Collateral Fund, 72,598 million forints can be spent, 12.8 percent of the total expenditures.

Section 7. For tax refunds and support allocations to aid the production and trade of enterprise management organizations, 141,900 million forints can be used, 25 percent of the total expenditures.

Section 8. (1) To provide for the tasks of the budget organs, 178,836 million forints are allocated, 31.6 percent of the total expenditures.

(2) The sum in section (1) can be used as follows:

--for the purposes of health and social organs, among them the maintenance of general and specialized hospitals, clinics, other institutions--treating bed-ridden and ambulant patients--and regional nurseries, public health and epidemiological services, the maintenance of homes for the aged, allocations associated with organized vacations, cash assistance, and other health and social goals, 28,615 million forints, 5 percent of the total expenditures;

--for educational, cultural and scientific research purposes, among them the maintenance of regional and workplace nurseries, primary, secondary and higher educational, public educational, creative art, child and student welfare institutions, furthermore, the support of sport objectives, 52,113 million forints, 9.2 percent of the expenditures;

--for defense and the purposes of other armed forces, 33,798 million forints, 6 percent of the total expenditures;

--for the purpose of economic, administrative, legal and public order organs, including the maintenance of roads and bridges, city and village management, agricultural, water management, environmental and nature protection and, furthermore, the funding of other economic tasks, the renewal of the fixed installations of the budget organs, judicial and public administrative activities, 64,310 million forints, 11.4 percent of the total expenditures.

Section 9. For social insurance purposes, including aid to families, disability allowances, child and other cash allotments, therapeutic services, retirement benefits and other services, 119,550 million forints can be allocated--including the reserve funds for social policy measures--21.1 percent of the total expenditures.

Section 10. To fulfill payment obligations derived from international financial relations, to amortize domestic credits assumed in previous years, to pay interests and to provide for other budgetary tasks, and also as financial reserves for unplanned needs--arising in the course of the year--53,816 million forints are allocated, 9.5 percent of the total expenditures.

#### Projections by the Central Budget Organs

Section 11. Within the limits of the appropriations shown in section 1. Parliament defines the state budget share of those central budget organs which are represented by autonomous budgetary sections at 1,938 million forints in payments and 73,959 million forints in support allocations, according to Supplement 1.

#### The Operational Budget and Developmental Fund of the Councils

Section 12. From the state contribution--defined under section 16, section c) of Law IV, 1980, 42,672 million forints are due to the operational budget of the councils, and from the state contribution defined under section 17, section c) of the same law, 14,017 million forints are due to their developmental fund.

Section 13. Under the title of state contribution, the operational budget and developmental fund of the Budapest City Council and of the megye councils are entitled to sums in accordance with Supplement 2 of this law.

Section 14. The amounts of state contribution to the Budapest City Council and the megye councils must be increased, respectively, decreased if the incomes from shared sources show a deficit of over 3 percent or a surplus of over 4 percent compared with the annual allocation.

#### Miscellaneous Closing Regulations

Section 15. With respect to modification of the allocations made in sections 2, 7 and 9, action must be taken according to section 17, section (2) a) of Law II, 1979.

Section 16. The Council of Ministers is empowered by Parliament to modify the amount of state contribution--established for 1984--to the operating budget and developmental fund of the Budapest City Council and megye councils in accordance with the actual 1983 changes in individual income sources originating from the enterprises, agriculture and other cooperatives, and with the final 1984 income projections. However, a change in the sources of income cannot modify the projected expenditures of the operational budget and the developmental fund.

Section 17. The Council of Ministers is empowered by Parliament to issue state bonds in the sum of 1,500 million forints or to take loans in order to balance the deficit according to section 1.

Section 18. This law comes into force on the date of issue; the Council of Ministers through the Minister of Finance is responsible for its enactment.

[Signed]

Pal Losonczi  
President of the Presidium  
of the Hungarian People's Republic

Imre Katona  
Secretary of the Presidium  
of the Hungarian People's Republic

2473  
CSO: 2500/177



DESPITE SUCCESSES, AGRICULTURE MUST IMPROVE PERFORMANCE

Budapest NEPSZABADSAG in Hungarian 10 Jan 84 p 3

[Article by Isvan Almasi: "After a Year of Drought: What Is Hungarian Agriculture Worth?"]

[Text] What is Hungarian agriculture worth? What is it worth for those who are working in it and what for the country? The question can perhaps be best answered under critical and difficult circumstances, when the accomplishments are really appreciated. For a long time we have made a lot of such assessments and they are particularly frequent last year. For our agriculture reached the threshold of the new year still carrying the concerns, burdens and experiences of a year of drought.

The changes that occurred in the economy of the world were not favorable to our farming either. In this connection we used to complain that the prices of energy carriers, raw materials, fertilizers, insecticides and machines, in one word of all the goods that are indispensable for modern farming, have multiplied. This is true. But we mention it rather seldom, although it has been a similarly hard lesson, that West European agriculture, which has traditionally been important for our marketing possibilities, underwent a complete transformation.

There, 20 years ago the slogan with reference to agriculture had still been: "produce and modernize." The explanation was simple: West European agriculture produced then much less than what the population needed. Conversely, nowadays the countries of that area are carrying the burden of vast surpluses in the majority of farming products. They have emerged as sellers rather than buyers and are selling products subsidized with gigantic sums of money by their governments, exerting thereby an influence on the agrarian prices of the international market that is detrimental to us.

A Year of Drought

The drought decimated our agricultural produce. And anyone who would now, in January, analyze the events with a more or less exact knowledge of our agricultural output, might say that at mid-point last year the expected consequences of the drought have been exaggerated, since the picture emerging about our agriculture, after such a year, is not all catastrophically bad. This is

true. And it is also true that all through our agricultural history we had the fixed idea that if drought is severe then the crop must be catastrophically poor.

The available records on temperature and precipitation and on their impact upon the vegetation during the season of breeding show that last year's drought was the third or fourth worst in this century. It was characterized by the fact that it did not hit the crop with equal severity all over the country. It burned more the plants on sodic soils and quick sand than on the better watered, medium-bound soils. But so it happened also at other times, for example in the summer of 1952 when the dread of a drought haunted the countryside. Then, in 1952, the agricultural output dropped 30 percent below that of the previous year. The yield of wheat was 1.7 million tons instead of 2.4 million as in 1951. In corn we gathered in 1.2 million tons, while the crop of the previous year was 2.8 million tons. In other words the output in wheat dropped 30 percent and that of corn 55 percent.

At present the setback in percentages is much smaller. The yield of both wheat and corn was many times that of 31 years ago. How can we talk then about drought? Anyone who saw the fields in early spring would not raise this question. The beginning of the spring in 1983 seemed to forecast the continuation of the process, that had characterized our agriculture over some time, namely that we are able to increase again the yields of our plant crops. Almost all crops appeared to be encouraging. Wheat and barley have never been so beautifully lush and green on the lands around our villages as in those days of spring sprouting.

That was not only a stroke of luck. True, weather was favorable until then. However it was mainly the quality of work, the amount of fertilizers put in the soil and the proper methods of plant protection that have systematically set the ground for a bumper crop. And it was this that promised a lot. The frustration caused by the decline in the yields was so much more shocking. Collective farms and state farms alike, which have laid the expensive conditions in materials and technology for an excellent crop, suffered losses in billions. These damages make their impact still felt this year. Mass forages, that are of poor quality, low in nutritive contents and nevertheless expensive, still affect farming this year. The availability of our export goods has not been damaged in 1983 alone but continues to run on a low level also in the first half of 1984.

#### Social Accomplishments

These are serious problems although they differ in character from those that aggravated Hungary's situation after the drought of 1952. Then the show-windows of the butcher shops were decorated with cooking oil bottles and photographs, and most days of the week there were not even people queuing since there was nothing to purchase. Conversely in 1983 the drought had virtually no impact on the food supply. People became aware of this great natural disaster that had hit our domestic agriculture only through the shocking pictures shown on the TV rather than through shopping in the grocery stores. It is easy to draw a lesson from this.

Based on the agrarian policy of our government and our party, an agricultural system has been built during the last two and a half decades which, after its socialist reorganisation, was able to ease and in certain areas even to ward off the calamity that in the not so remote past, when small parcels were prevailing in our farming, and earlier in the era of the feudal latifundia, had indeed grave and often even catastrophic consequences for millions of our population. It is frightening to think how matters would stand now if we had not chosen to tread our well-known path two and a half decades ago. How would our food supply be then? Probably just like the one we can observe elsewhere, even in some areas of Europe. And how would our international financial balance shape up? It is true that our farming did not contribute to the active balance of our trade to the planned extent. But it is also undeniable that this sector is still an unequivocally and strongly positive factor of our foreign trade.

Thus the building of our socialist agriculture was an intelligent, useful and successful accomplishment. As a result of it our agriculture and food industry, that employs only 23 percent of the country's active wage earners and possesses only 14.5 percent of the gross value of our national economy's assets, provides 27 percent of our GNP, one-fourth of our exports and almost one-third of our exports accounted for in rubles. In its production figures our farming approaches ever more the top yields in the world. And it was even able to keep pace with the vigorous development of West European agriculture.

Farming is always a struggle with nature. The ones who are better prepared with resources, materials and skill can better face the challenge of the forces of nature. Some people are claiming, with some exaggeration but not without foundation that the standards of modern agriculture depend on the standards of its industrial resources and materials. Our economy has become a participant and beneficiary of industrial revolution. And those who have introduced the advanced technology used by our agriculture--engineers at their planning desks, in the workshops and in commerce--are all participants in the creation and promoters of agriculture capable of the present day's performances. Without wanting to deny the great merit of those who are working in farming, we must point out that the achievements of our agriculture are in many respects those of our entire society.

This is an economic accomplishment but also a social and political one. It is so because only under such social and political conditions can people make the material and technological conditions really profitable which allow them to be financially interested. The flexibility of our large farming enterprises and their responsiveness to everything that is new are a test of the sense of initiative and enterprising spirit of those who are working in them. The results are due to a great extent to their resourcefulness in business and to the fact that the reform of the macroeconomic management did not stop at the gates of the collective and state farms, but promoted the created impulses there.

And if we now claim that our achievements so far are not sufficient, that we should have done more last year and should do much more this year, this is not downgrading the current accomplishments and in particular the results attained in 1983, but a desire. It is a challenge thrown down by our national economy

to its sector that exploits our croplands, which are the most important natural treasures of our homeland.

#### The Conditions Required

A critical scrutiny, without which we could not have progressed thus far, should notice the mistakes that have been blown up in the wake of the drought. Among them the most obvious is that during recent years we have often forgotten, when selecting the plant species and applying the possibilities of irrigation, that drought is a more frequent phenomenon in our country than rainy weather. But what has no relation to the drought, but a matter of farming technics, is that investments in animal husbandry have not been productive enough. Animal health conditions and foraging methods are making slow progress. Production investments are not always consequently planned. Regular and professional surveys of the implementation are much more important than what we would think at first.

Last year one large West German agricultural machinery firm, the Claas, held a press conference in Hungary, rather than at home for the editors and correspondents of West German newspapers. Its management presented their combines here. At that occasion the German manufacturers emphasized that their grain combines are being tested in Hungary. For a machine which can effectively harvest a Hungarian bumper crop on 1,000-1,500 hectares, will hold its ground all over the world. A fitness test in Hungarian farming will be the best recommendation for them everywhere. I wish this would be the opinion and practice of the Hungarian agricultural industry too, this would be a very good development. As a matter of truth our domestic agricultural industry, that was greatly neglected earlier, has made considerable progress in recent years. Yet in the past the management of this industry, instead of using our farming as a test ground and a market, stopped manufacturing combines in Hungary.

It is essential that our agricultural accomplishments meet the demand. In order to enable the people employed in farming to undertake this inordinately difficult task with a hope of success, we invariably need societal cooperation and an improvement in the performance of all involved and interested. More freight can only be loaded on a wagon which is pulled by stronger horses. Otherwise the wagon becomes stuck.

In our agriculture there are chances for doing more. However, for this we need actions, actions that are commensurate with the demand and which embrace all areas of our economic, social and political life, and most of all agriculture.

12312  
CSO: 2500/180

BRIEFS

NEW COAL DEPOSITS DISCOVERED--New coal deposits of 100 million tons have been discovered in the Borsod area of Hungary. The coal deposits there appear to be of a low sulphur and ash content. New drillings are now being made to gain the necessary information to open the new deposit site which will be started after 1990. [Frankfurt/Oder NEUER TAG in German 9 Jan 84 p 4]

CSO: 2300/273

## ENTERPRISE FOREIGN EXCHANGE ALLOWANCES DEFINED

Warsaw POLISH ECONOMIC NEWS in English No 2, 31 Jan 84 pp 6, 7

[Article by (vj): "Dictionary of Economic Reform-Foreign Currency Appropriations"]

[Text] Foreign Currency Appropriations

Foreign currency appropriations [odpisy dewizowe-foreign exchange allowances] are a form of financing imports. According to the council of ministers' resolution No 134 of 28 June 1982 on using part of foreign currency incomes for exported goods and services by state enterprises, the enterprises were granted the right to accumulate foreign exchange in bank accounts. The size of foreign currency appropriations for individual enterprises is fixed by the minister of foreign trade in cooperation with the minister of finance. The rate of appropriations varies and depends first of all on the kind of production. The appropriations range from 15 percent to 50 percent of export incomes, e.g. the average rate of appropriations for the engineering industry stands at 25 percent.

In 1983 some 1,550 export-oriented enterprises have made foreign currency appropriations. Among them are leading factories of the electroengineering industry such as building and road-building machinery plants, car factories, electronic industry plants, shipyards.

Foreign currency appropriations go, as a rule, for imports of raw materials and supplies as well as components and spare parts. Therefore the appropriations contribute to an animation of export-oriented production.

The appropriations are part of the economic reform now under way in Poland. The enterprises using appropriations for importing supplies differ in their opinions on this scheme. It depends on the scale of an enterprise's exports and the degree to which imported materials are used for production. In case of large exports and small foreign materials input an exporting company stands evidently to benefit from the scheme. It can show flexibility in dealings with foreign partners which lies also in their interest. Those enterprises whose production requires higher foreign inputs are in a more difficult situation. This forces them to rationalize production. Thus the economic reform stimulates Polish export-oriented producers towards an active participation in foreign trade. A characteristic feature of such an activity is a close interdependence between exports and imports and greater than ever freedom in negotiating trade contracts.

Another form of import financing is the allocation of foreign currencies for enterprises by the treasury provided these enterprises execute government contracts. These contracts cover production of important basic goods (medicines, washing agents, clothing, etc). This form of import financing, indispensable at the present stage, will be gradually phased out parallelly to the improving situation on the national economy.

CSO: 2020/68

FINNISH CONSULTANT COMMENTS ON REFORMS IN PLANT MANAGEMENT

Helsinki UUSI SUOMI in Finnish 9 Jan 84 p 21

/Article by Ilkka Juva: "Poland's Businesses Are Becoming Independent"/

/Text/ New winds are blowing in Poland. The economic reform put into effect means freedom in foreign trade for businesses. In addition the authorities have turned into observers, leaving the direction of the businesses to their managing directors and personnel councils composed of workers. These councils most nearly correspond to management committees here in Finland.

Pauli Lopponen, managing director of the Helsinki-based Management Systems, Inc, is the first Western expert invited to observe Poland's economic reform. He considers the reform very remarkable; after all, responsibility and freedom of action have at the same time shifted from the authorities to the business level.

"Businesses which have sales in the billion-zloty range (about 60 million marks according to the official rate of exchange) and one-fourth of their activity in exports are completely independent of the foreign-trade organizations. The smaller businesses make use of the services of the official organization, which is well-founded. These businesses also receive 35 percent of their foreign currency for their unlimited use," says Lopponen.

Independence in the New Law

"Another central reform is the 'law of the three S's.' The name derives from the Polish-language words by which the central content of the law is expressed. In Finnish these words are self-financing, internal decisionmaking and leadership as well as independence."

Independence means that there are no officials, for example, ministry representatives, on the business's board of directors. The businesses' internal decisionmaking is organized so that the organ which corresponds to the management committee in the Finnish model is a personnel council chosen from among the workers. Its function is, among other things, to hire and fire managing directors. Self-financing in practice also means the requirement of profitability.

Only businesses which operate in connection with transportation and national defense are outside the law.



## Good Atmosphere

Lopponen has nearly 20 years' experience with conditions in Poland. Against this background his evaluation is that the atmosphere has improved substantially. Reform in the area of internal management has also undoubtedly influenced this, although the law concerning this dates from the year 1981.

From the standpoint of business leaders the reform has naturally meant big management problems. "You can no longer operate without consulting the workers. You are also responsible for the business strategy, financing and profitability."

## Energy Saving as Special Field

Lopponen is the first Western business-management expert in Poland since the economic reform began. His task is, among other things, the instructing of Polish consultants. The special field of Lopponen's office is campaigns on energy saving. In Finland energy expenditures have attained a saving of 200 million marks on the yearly level.

Lopponen, who just returned from Poland, says that his own contract is close to a normal commission for his business. He points out, however, that a remarkable change has occurred in Poland's economic life, a change there is reason to notice also in Finland. So the doors are opening, and the question is, who will walk through them.

12327

CSO: 3617/73

PROGRESS OF SWINOUJSCIE PORT EXPANSION PLANS REPORTED

Warsaw RZECZPOSPOLITA in Polish 31 Jan 84 p 3

[Article by (p-k)]

[Text] For the past dozen or so years on the right bank of the Swina River, right alongside the point where the river flows into the sea, a systematic campaign has been under way that is dedicated to the expansion of a major super-port designed to accommodate ships as large as 70,000 tons.

The crisis that hit at the end of the 1970's seriously interfered with the progress of work on the construction and erection of numerous port installations, including, inter alia, a large tipper machine for emptying coal cars. The shortage of cash and so-called job handling capacity just about reduced all of the work being done here to mothballing operations.

Recently, though, the problem of moving ahead as fast as possible toward the completion of work on the construction of this port and equipping it with all of the necessary support installations was put back on the agenda. The increase in coal export sales and also the signing of contracts for the transshipment of Scandinavian ore across the Baltic to southern Europe (mainly to Austria) called attention to the dividends to be gained from moving quickly to wrap up the capital construction project which has been dragging on and on for altogether too long.

One of the objectives here is to set up a kind of buffer zone of coal dumps in Swinoujscie (similar to those which exist in other ports around the world) intended primarily to meet the needs of the export trade and the merchant marine, but also to meet any domestic needs that might arise.

Around a half a million tons of coal can be stored in Swinoujscie at the present time. After the storage yards have been enlarged and fitted out with appropriate installations, their storage capacity should be two and a half times larger. At the same time, work is nearing completion on the construction of a large railroad car tipper, which will cut coal unloading time in half and go a very long way toward speeding up coal car turnaround time. It is estimated that, owing to the installation of this facility, Polish State Railroads will "save" around 500 cars per day. The tipper will be linked to the storage yards by conveyor belt transporters totalling several kilometers in length, most of which have already been erected.

Finishing up the installation of support facilities and the expansion of coal wharves at the Port of Swinoujscie are supposed to coincide with the work on the construction of a local ore transshipment base. The financial backing for this project will come from the port's foreign exchange earnings from transshipment services and also from a loan provided by the Polish Marine Shipping firm in Szczecin, which is also interested in the development of ore transshipment facility. A facility capable of handling around 1 and a half million tons of ore per annum is slated to be built up here over the next 3 years. During this period the wharves which have already been built will be fitted out with a powerful dumper-loader conveyor, an overhead travelling crane, and a system for loading railroad cars. The fulfillment of these plans should serve to make the transshipment services bids of the ports along the western end of the coast more attractive.

CSO: 2600/638

ROLE OF HIGH TECHNOLOGY IN INCREASING LABOR PRODUCTIVITY

Bucharest ERA SOCIALISTA in Romanian No 24, 25 Dec 83 pp 6-8

/Article by Dr Eng Aristide Predoi, general director of the Institute of Scientific Research and Technological Engineering for Automation and Telecommunications: "Technical Progress and Labor Productivity Growth"/

/Text/ As Nicolae Ceausescu said at the Plenum of the CPR Central Committee in November 1983, "We have an adequate technical inventory, we have a working class that has already acquired adequate experience, and we have engineers and technicians that can bring about a modern organization of production and labor and an intensive growth of labor productivity."

Romania's transition to a country with a medium economic development in the next few years necessarily requires a pronounced increase in labor productivity, primarily through constant improvement in the technical and qualitative standards of its products and better use of all available resources. It is impossible to advance beyond the stage of a developing country without labor productivity comparable to that of developed countries. But higher productivity in all fields does not require greater physical effort as much as planning and development primarily, in order to expand mechanization and automation, to apply modern technological processes, to introduce the most advanced technology, and to transfer the new from research and design to production rapidly, with optimal attainment of the technical-economic indicators and the consumption norms for raw materials and energy. This will permit, for example, an output of automation means by 1985 that will be 2.1-2.3 times greater than in 1980 with an equivalent input and in terms of absolute value.

To meet such requirements firm measures and actions must be taken in the electronics industry (automation means and process computing equipment) itself in accordance with the provisions of the Program for More Pronounced Labor Productivity Growth and Improved Organization and Standardization of Labor in the 1983-1985 Period and up to 1990 and of the Program for Improved Technical and Qualitative Standards of Products, Lower Inputs of Raw Materials, Fuels and Energy, and Better Use of Raw Materials and Materials in the 1983-1985 Period and up to 1990, programs of vital importance to Romania's economic and social progress in the next period.

Those programs, drafted upon Party General Secretary Nicolae Ceausescu's suggestion and under his direct supervision, were discussed and unanimously approved by the Plenum of the CPR Central Committee in November 1983 as integral parts of a package of actions and measures of considerable theoretical and practical value adopted on the basis of the decisions of the 12th CPR Congress and the National CPR Conference concerning intensive development of the Romanian economy in the present stage, a stage in which the qualitative factors of technical progress, economic effectiveness and labor productivity play a predominant part in the strategy of economic growth because of their critical importance to the nation's general progress.

In our times, when production is being renovated and improved thanks to the scientific-technical revolution, socioeconomic and industrial development is inconceivable without the contribution of automation, which has been quite rightly called the "spearhead" of electronics. Therefore the production growth rates of the automation and electronics sector are higher than those of the other sectors. Growth and expansion of electronic and automation equipment are indispensable today to industrial development because the technical progress, productivity and economic effectiveness of all the other processes in industrial and socioeconomic activity depend upon the technical progress and introduction of the most advanced technology in those fields. Moreover the sectors producing electronic, automation and process computing equipment are the ones that make most intensive use of the materials, metal, labor and intelligence, permitting manufacture of products with very high values and minimal inputs of materials, energy and human effort.

The electronic, automation and process computing units incorporated in the technological equipment enhance its productivity, its flexibility in handling, and the operator's control.\* Due to the dimensional and geometric proportions of the present industrial equipment of gigantic size, as well as the speeds and precision with which it must operate and the value of the objects and materials to be made into finished products, the point has been reached where humans can no longer handle it and control by an operator is possible only by means of automation and robotizing units with a high degree of "artificial" intelligence and microprocessors, leading to very high outputs and productivity.

Both the above-mentioned programs serve the common purpose of generally improving the technical and qualitative standards of the products and expanding mechanization and automation in all industrial sectors, proportioned for each particular sector and scheduled for every stage. Accordingly, intensified redesign and modernization of products in current manufacture, improved design of products being assimilated, and enlargement of the manufacturing assortment through assimilation of highly technical products will increase the proportion of products on a high world level to about 69 percent in 1985, 84.6 percent in 1987, and nearly 95 percent in 1990. Moreover, 2-5 percent of the products will be above world standards. Meanwhile, in order to secure the levels of labor productivity growth, especially in the labor-intensive sectors, the proportion of the output produced in the mechanized and automated system will average 65 percent in 1985, about 70 percent in 1987, and over 90 percent in 1990.

Note that in the stages specified by the programs the percentages set for raising the technical level are higher than those for development of mechanization and

\*Thereby adding considerably to the value of the equipment.

automation. Hence both the stimulating effect of introduction of technical progress upon growth of mechanization and automation, and that of mechanization and automation upon labor productivity growth as a whole.

Note also that improvement of product quality in the machine building, electro-technical and electronics industries depends upon a number of successes in production of the corresponding materials by the other industries, but the previous implementation of the 440 technologies in the former industries will be vital to introduction of the 2,200 other technologies in all the other sectors.

The efforts to raise the technical standard of production by use of automation, computers, robots and microprocessors are indicative of particular developments and provisions for very rapid processes. As specified in the Directives of the 12th CPR Congress and in keeping with the measures in the programs approved by the Plenum of the CPR Central Committee in November 1983, restructuring of the advanced processing and exploiting sectors is to be continued in Romania in the 1983-1985 period and on up to 1990 in order to manufacture highly technical and less energy-intensive products by creating or developing some new and highly technical and complex sectors such as microelectronics, industrial robots, units for nuclear electric power plants, for new forms of energy and for aircraft, electric laser and optical fiber units, etc. These new "editions" of products will be accompanied by measures for redesign and assimilation of miniaturized products with low inputs of copper, precious metals and silicon sheets, manufactured in structural variants that will also meet the special climatic requirements of the various areas to which they will be exported.

Accordingly the electrotechnical and electronics industry will show an annual growth rate of about 13 percent, so that the 1985 provisions will be up 206-229 percent from 1980 in the field of automation means and process computing equipment, which are higher quotas than those specified for other groups of machine building products. And for a quantitative and qualitative determination of these directions of progress, it should be noted that these peak fields are to manufacture products in 1985 with performance-cost ratios twice those of 1980, which ratios are to be redoubled by 1990. The increase by 2.1-2.3 times in output volume in 1985 compared with 1980 will be accompanied by a less than 50 percent increase in the labor force, with the same declining trend toward 1990. The proportion of products that will reach the qualitative level of the products on the world market in the 1984-1987 period is being determined in the present period, and the directions for determining the groups of products in the proportion of 2-5 percent that will be above the world standard of quality are also in preparation.

In the present period, when automating and robotizing accompanied by miniaturizing characterize world production, not only are electronic products not affected by the present world crisis but, on the contrary, despite the disturbances in the other sectors automation means, computing equipment and the electronics industry as a whole, thanks to microelectronics and the spread of microprocessors, show steadily rising production rates and raise the productivity rates of the other sectors. In this respect the developmental trend is toward informationizing society, and in the field of research and development of new products this means transfer of programming (software) to the "silicon" field, that is programming the microprocessors from their very design in order to meet the very heavy

demands made by applications. The United States, for example, expects an average annual growth rate of more than 30 percent for introduction of microprocessors. This would mean a requirement for about 1 million electronic engineers in 1990, instead of which the method was adopted of incorporating the software in microprocessors, which will increase the computing speed by 10,000 times in 1990 compared with 1979 and lower the cost of the programs by 40 times and that of the computers' memory banks by 400 times.

Because of these worldwide trends, in the production of the various components basic to technical progress today the emphasis will be placed from now on more and more upon organization and development of microelectronics production and upon assimilation of the peak technologies permitting the start of manufacture of new types of microprocessors. And in order to secure the advance of power electronics especially (for automation of metallurgy, machine building, the construction materials industry, chemistry etc.), power components with good performances and great reliability will be developed in the course of production of separate active and passive components.

In support of these trends and developments characterized by a rapid rate of innovation and renovation, scientific studies in enterprises, the institutes for technological research and engineering, and higher education have an essential part to play because special emphasis is to be placed on application of Romanian intelligence and development of scientific research and technological engineering ahead of all other activities.

In view of the provisions of the programs approved by the Plenum of the CPR Central Committee in November 1983, as well as the worldwide trends toward technical progress and greater labor productivity, scientific research and technological engineering in Romania are faced with some priority tasks. As Nicolae Ceausescu pointed out in the report to the National Party Conference in December 1982, "By good organization of production and labor, mechanization and automation, and use of modern methods in all activities we must make a substantial gain in labor productivity in order to catch up with some of the developed countries by the end of this five-year plan." That requires intensified planning and development and application of automated, cybernetized procedures to research and design and to production and product quality control.

Accordingly it is necessary to make a bold start in computer-assisted planning and management. That will greatly facilitate reduction of physical effort, labor productivity growth and intensified exploitation of typification and reuse of procedures, as well as standardization of elements and subassemblies (which will bring about a major qualitative leap in production as well as a quantitative one in labor productivity), while also securing a considerable curtailment of the cycle of assimilation of new products and a more rapid transfer of research findings to production.

For greater labor productivity in scientific research and technological engineering themselves, efforts in production, research and education must be concentrated and coordinated to obtain products and activities that will best meet the requirement within the economy and also increase the volume of exports. Among the current efforts of scientific research and technological engineering to introduce technical progress and the most advanced technology, with profound



effects upon labor productivity growth, the following are noteworthy: the computer-assisted research-design program including, for machinery, the Technological Research Institute for Machine Building (ICTCM) and the Institute of Scientific Research and Technological Engineering (ICSIT) and, for electronics, the Institute of Scientific Research and Technological Engineering for Automation and Telecommunications (IPA), the Research Institute for Computer Technology (ITC) and the Research and Design Institute for the Electrotechnical Industry (ICPE), jointly with units in the electronics, electrotechnical, machine tool and machine building industries; the program for computer-assisted automatic testing, including the IPA, ITC and the Scientific Research and Technological Engineering Center for Semiconductors (CCSITC), jointly with enterprises under the Industrial Central for Telecommunications and Automation Equipment (CIETA) and the Industrial Central for Electronics and Computer Technology (CIETC), as well as the faculties and chairs for automation at the Bucharest and Cluj-Napoca polytechnic institutes and Craiova University; and the robotics program, including institutes under the Central Institute of the Ministry of the Machine Tool, Electrotechnical and Electronics Industry, the Central Institute of the Ministry of the Machine Building Industry, units under the CIETA, CIETC and the Industrial Central for Machine Tools (CIMU), the Institute of Management and Data Processing (ICI), and specialized faculties and chairs in higher education.

This comprehensive approach to matters of introducing technical progress by the most rational use of Romanian intelligence contributes first of all to labor productivity growth in technological engineering and research, thereby influencing said growth in the following stages of the "birth" and "life" of the products, that is in both manufacture and operation, where this approach secures far greater stability, efficiency and reliability for the technological processes and equipment or the socioeconomic activities in which the respective products and activities are incorporated.

Various countries' experience shows that including microprocessors in the structure of products and equipment can shorten the cycle of assimilation and manufacturing starts by 30-60 percent, and by introducing robots an average of three men (one on each shift) can be replaced by one essential man on one shift for verification, regulation and preparation of production, so that the robot can perform unsupervised on the other two shifts with high standards of execution and productivity.

Some problems of research-development itself arise in connection with manufacture of some products (automation systems and equipment, robots etc.) with the best performances and with their most rapid and efficient introduction in the production of the various sectors where the revolutionary leap in quality and productivity is to be achieved. In general the new automation systems, equipment and elements as well as the robot systems are intended for manufacturing processes, equipment and lines or their various services in order to eliminate or reduce the physical effort of the operator, to enhance labor productivity and quality, or to replace the operator in the performance of operations that are laborious, in harmful environments, etc. Of course if this new equipment is to be produced and introduced there must be an intermediary, that is a beneficiary with whom can be arranged or who will arrange the conditions and organization of the activity at the points of application of this equipment (shop, factory, manufacturing process or line). Ordinarily introduction of automation or robots is merely a



replacement of some equipment or people, but it requires reorganization of the production flow and personnel retraining because of the new disciplines the new operational system involves. Sometimes changes are also necessary in the arrangements with the suppliers or in those for sales to the beneficiaries, which sometimes mean changes even in the operating regulations, maintenance operations, operation etc.

Accordingly, in view of the requirements for introducing a new automation system, unit or device, including robots of course, a new conception is needed of the relationship between the improved procedures and labor productivity because an economical, moduled and standardized design of the equipment and systems is also needed but also because there are many possibilities of extending their application (by means of applied software-programs) to other fields as well. The question also arises of constantly adjusting the prepared measures to the level of the existing ones in the present technology, that is their compatibility with the best results on the international level, their correlation with the most advanced standards and norms and consequently the introduction of the said measures into the world circulation of values, and provision for participation in the international division of labor with the resulting increasing possibilities of export.

In view of this new conception, which of course includes previous experience and known elements, the research-development specialists must think and act in a new way, because the researcher or designer himself thereby acquires another point of view that will be based (even in their case) upon new disciplines that are necessary both to improve the performances of the equipment they are making and to adapt and introduce it as rapidly and efficiently as they can into the production of the various economic sectors. For example, the systems for control by means of long-distance data processing and transmission equipment intended for control of fields of petroleum wells can be extended to gas wells and even to irrigation systems, pumping stations or other such separate objects scattered over fields or areas for various industrial, economic-financial or other sectors. Generalization of automation technologies can be greatly increased in this way.

I have made the foregoing points to bring out the need for the designers themselves to see the situation and their activity with a new view of labor productivity. Note in this connection that in our IPA the collective management organ has adopted measures for the activity of each technological engineering and research collective, with a specific statement of the responsibilities and time limits for increasing labor productivity according to the economic efficiency specified by the technical-economic and material consumption indicators in the industrial units that will manufacture our products, and according to the expected efficiency in operation for the beneficiaries. Of course these measures pertain to a first stage. For the other stages specified in the programs approved by the Plenum of the CPR Central Committee in November 1983, namely 1985-1987 and 1987-1990, and for the tasks that will be assigned to the automation means industry, the measures we have determined will be updated, supplemented and improved.

The social consequences of the growing spread of the peak technologies to various activities are very urgent and important, namely the changed character of labor, the changed relationship of man to machine, the increasingly far-reaching

implications of the concepts of "quality" and "productivity," the revolutionary effects upon the very nature of the activities in material production and other fields, etc. The introduction of automation, robots, microelectronics and data processing is making changes in the labor force and redistributing it among various sectors and fields of activity and changing the quality of life and work, all of which are making radical and revolutionary changes in the conception and psychology of the new man, especially when the difference between physical and intellectual work is being reduced by expansion of the highly productive automation and robot systems. This is opening up new horizons of investigation of ways to eliminate the differences between physical and intellectual work, or headings of social and political technology for redefining the new man under the new social, technical and economic conditions.

Therefore there is a natural need (as specified by the party and state decisions and the programs approved by the Plenum of the CPR Central Committee in November 1983) for all workers to refresh their knowledge every 4 or 5 years in keeping with the new relationships of "quality" to "productivity" under the impact of the peak technologies. While we are taking steps to cybernetize management of technological processes, renovating equipment and introducing new technologies (in the full sense of innovation and radical change of a field), the workers, engineers and technicians must learn new disciplines so that they can master the new technologies as efficiently as possible and secure the rapid growth of social labor productivity, which is the essential way to elevate Romania to new and higher levels of civilization and progress.

5186

CSO: 2700/123

ALLOCATION OF FOREIGN EXCHANGE TO FEDERAL ORGANS, 1984

Belgrade SLUZHBI LIST SFRJ in Serbo-Croatian No 2, 13 Jan 84 pp 29-36

[Order issued by the Federal Executive Council in Belgrade 29 December 1983 and signed by its vice chairman Zvone Dragan: "Order Allocating the Foreign Exchange Approved for the Needs of Federal Bodies and Agencies and for the Purposes of Exercising the Rights and Discharging the Duties of the Federation in 1984"]

[Text] 1. The foreign exchange to meet the needs of federal bodies and agencies and for purposes of exercising the rights and discharging the duties of the Federation, as set forth in Point 2, Subparagraph 2, of the Order Fixing the Total Amount of Foreign Exchange for the Needs of the Federation in 1984 (SLUZHBI LIST SFRJ, No 70, 1983), in the equivalent amount of 81,911,909,148 dinars, may be used for invisible and visible payments of federal bodies, agencies and organizations, designated bodies of public organizations, and institutions which perform functions important to performance of the functions of the Federation and conducting their activity over the entire territory of the Socialist Federal Republic of Yugoslavia, if the funds from their own income are not sufficient for performance of those tasks, as well as to meet other needs of the Federation, as follows:

- 1) for invisible payments--up to the amount of 11,314,629,500 dinars,
- 2) for visible payments--up to the amount of 68,868,412,000 dinars.

The sum of 1,728,867,648 dinars shall be set aside from the total amount of foreign exchange referred to in Paragraph 1 of this point to meet unforeseen and underestimated expenditures (reserves).

The federal secretary for finance is hereby authorized to approve use of funds from the reserve referred to in Paragraph 2 of this point at the request of the competent disbursing agencies, such disbursements not to exceed the amount of 500,000 dinars in each case.

2. The allocation of foreign exchange for 1984, which is published along with this order and is an integral part of it shall state the maximum amount of foreign exchange for individual users within the limits of the amounts referred to in Point 1, Paragraph 1, of this order.

3. The proportion of the total amount of foreign exchange referred to in Point 1 of this order which can be used in convertible currencies is 60.5 percent, while 39.5 percent shall be used in other currencies.

The federal secretary for finance is hereby authorized to allow individual users to use foreign exchange in larger or smaller percentages than the percentages set forth in Paragraph 1 of this point, so that the total amount of foreign exchange used in convertible currencies does not exceed 60.5 percent.

4. For purposes of uniform use of foreign exchange referred to in Point 1 of this order, in line with the needs of users submitted to the federal secretary for finance before the 20th of the month for the next quarter and in conformity with the guidelines of the Federal Executive Council, the Federal Secretariat for Finance shall set forth a schedule for the use of foreign exchange in each quarter.

Users should submit their needs for the first quarter in the context of Paragraph 1 of this point before 10 January 1984.

The foreign exchange covered by this order shall be made available to users on the basis of a specifically documented application up to the amount of funds approved for that quarter.

5. Foreign exchange shall be made available to users to whom funds have been distributed within the funds of a particular federal body, agency or organization on the basis of an application from the federal body, agency or organization to finance programs and tasks which have been established and contracted for.

6. The federal secretary for finance is hereby authorized in response to applications from competent disbursing agencies to alter the purposes and amounts of funds approved for invisibles in the Allocation of Foreign Exchange for 1984.

7. The federal secretary for finance is authorized to refund the resources set forth in the Allocation of Foreign Exchange for 1984 upon application by competent disbursing agencies.

8. This order shall take effect on the date of publication in SLUZHBI LIST SFRJ.

#### Allocation of Foreign Exchange for 1984

<u>No</u>	<u>User</u>	<u>Expressed in Dinars</u>
<u>1</u>	<u>2</u>	<u>3</u>
1	State Presidency of the Socialist Federal Republic of Yugoslavia	
	Invisibles:	
	Official travel	9,645,000

<u>1</u>	<u>2</u>	<u>3</u>
	Other payments	
	Visibles	<u>590,000</u> 10,235,000
		<u>1,043,000</u>
	Total	<u>11,278,000</u>
2	Department for Entertainment Facilities of the SFRY State Presidency	
	Invisibles:	
	Official travel	125,000
	Visibles	<u>1,956,000</u>
	Total	<u>2,081,000</u>
3	SFRY Assembly	
	Invisibles:	
	Official travel	10,155,000
	Assessments	2,901,000
	Other payments	<u>23,000</u>
	Visibles	<u>13,079,000</u>
		<u>18,362,000</u>
	Total	<u>31,441,000</u>
4	Council of the Federation	
	Invisibles:	
	Official travel	<u>148,000</u>
	Total	<u>148,000</u>
5	Federal Executive Council	
	Invisibles:	
	Official travel	49,211,000
	Assessments	224,467,000
	Other payments	<u>5,616,000</u>
	Visibles	<u>279,294,000</u>
		<u>35,432,000</u>
	Total	<u>314,726,000</u>
6	Department for Defensive Preparations of the Federal Executive Council	
	Visibles	<u>14,055,000</u>
	Total	<u>14,055,000</u>

<u>1</u>	<u>2</u>	<u>3</u>
7	Department for Translation Affairs of the Federal Executive Council	
	Invisibles:	
	Official travel	289,000
	Specialization	<u>665,000</u>
	Visibles	<u>954,000</u>
		<u>2,362,000</u>
	Total	<u>3,316,000</u>
8	Constitutional Court of Yugoslavia	
	Invisibles:	
	Official travel	<u>83,000</u>
	Total	<u>83,000</u>
9	Federal Court	
	Invisibles:	
	Official travel	<u>138,000</u>
	Total	<u>138,000</u>
10	Federal Public Prosecutor's Office	
	Invisibles:	
	Official travel	<u>70,000</u>
	Total	<u>70,000</u>
11	Federal Solicitor General's Office	
	Invisibles:	
	Official travel	<u>261,000</u>
	Total	<u>261,000</u>
12	Federal Secretariat for Foreign Affairs	
	Invisibles:	
	Official travel	62,000,000
	Foreign missions	5,326,673,000
	Assessments	417,737,000
	Other payments	<u>49,211,000</u>
	Visibles	<u>5,855,621,000</u>
		<u>55,117,000</u>
	Total	<u>5,910,738,000</u>

<u>1</u>	<u>2</u>	<u>3</u>
13	Federal Secretariat for National Defense	
	Invisibles:	
	Official travel	44,814,000
	Missions	225,978,000
	Assessments	3,923,000
	Medical treatment abroad	26,594,000
	Specialization	132,459,000
	Other payments	6,435,000
	Visibles	440,203,000
		<u>65,704,987,000</u>
	Total	<u>66,145,190,000</u>
14	Federal Secretariat for Internal Affairs	
	Invisibles:	
	Official travel	15,747,000
	Assessments	11,312,000
	Specialization	3,149,000
	Other payments	314,953,000
	Visibles	345,161,000
		<u>629,905,000</u>
	Total	<u>975,066,000</u>
15	Federal Secretariat for Finance	
	Invisibles:	
	Official travel	3,195,000
	Assessments	150,251,000
	Transfer of inheritances and support payments	48,227,000
	Other payments	1,583,256,000
	Visibles	1,784,929,000
		<u>8,435,000</u>
	Total	<u>1,793,364,000</u>
16	Federal Secretariat for Foreign Trade	
	Invisibles:	
	Official travel	3,157,000
	Assessments	60,551,000
	Other payments	590,000
	Visibles	64,298,000
		<u>646,000</u>
	Total	<u>64,944,000</u>

<u>1</u>	<u>2</u>	<u>3</u>
17	Federal Secretariat for the Market and General Economic Affairs	
	Invisibles:	
	Official travel	432,000
	Assessments	14,786,000
	Other payments	<u>125,000</u>
		15,343,000
	Total	<u>15,343,000</u>
18	Federal Secretariat for Jurisprudence and Organization of the Federal Administration	
	1) For payments of its own	
	Invisibles:	
	Official travel	563,000
	Specialization	689,000
	Other payments	<u>358,000</u>
		1,610,000
	2) To meet the needs of the Data Processing Bureau of federal bodies and agencies	
	Invisibles:	
	Official travel	49,000
	Other payments	<u>512,000</u>
	Visibles	561,000
		19,684,000
	3) To meet the needs of the Bureau for Advancement of Federal Administration	
	Invisibles:	
	Official travel	35,000
	Assessments	<u>630,000</u>
		665,000
	Total	<u>22,520,000</u>
19	Federal Secretariat for Information	
	1) Payments of its own	
	Invisibles:	
	Official travel	4,464,000
	Other payments	<u>5,425,000</u>
	Visibles	9,889,000
		6,663,000



<u>1</u>	<u>2</u>	<u>3</u>
2) To meet the needs of Radio Yugoslavia		
Invisibles:		
Official travel		708,000
Visibles		66,290,000
3) To meet the needs of Yugoslav Radio-Television		
Invisibles:		
Official travel	5,000,000	
Assessments	93,328,000	
Other payments	44,093,000	142,421,000
Visibles		11,000,000
4) To meet the needs of the TANJUG News Wire Service		
Invisibles:		
Official travel	7,435,000	
Bureaus	218,065,000	
Assessments	2,000,000	
Other payments	138,618,000	366,118,000
Visibles		90,549,000
5) To meet the needs of "Filmske Novosti" [newsreel]		
Invisibles:		
Official travel	514,000	
Assessments	197,000	711,000
Visibles		20,000,000
Total		714,349,000
20 Federal Committee for Legislation		
1) Payments of its own		
Invisibles:		
Official travel		280,000
2) To meet the needs of the newspaper publishing institution "Sluzbeni list SFRJ"		
Visibles		17,125,000
Total		38,518,000

<u>1</u>	<u>2</u>	<u>3</u>
21	Federal Committee for Energy and Industry	
	Invisibles:	
	Official travel	1,378,000
	Assessments	<u>37,140,000</u>
		<u>38,518,000</u>
	Total	<u>38,518,000</u>
22	Federal Committee for Agriculture	
	Invisibles:	
	Official travel	1,766,000
	Assessments	10,842,000
	Other payments	<u>12,480,000</u>
		<u>25,088,000</u>
	Total	<u>25,088,000</u>
23	Federal Committee for Transportation and Communications	
	1) Payments of its own	
	Invisibles:	
	Official travel	2,067,000
	Assessments	<u>37,548,000</u>
		39,615,000
	2) To meet the needs of the Institution for Maintaining Sea Lanes	
	Visibles	29,208,000
	3) To meet the needs of the Institution for Maintaining Inland Waterways	
	Invisibles:	
	Official travel	410,000
	Assessments	<u>179,000</u>
		589,000
	Visibles	65,156,000
	4) To meet the needs of the Yugoslav Register of Shipping	
	Invisibles:	
	Official travel	512,000
	Other payments	<u>6,890,000</u>
		7,402,000
	Visibles	1,003,000

<u>1</u>	<u>2</u>	<u>3</u>
5) To meet the needs of the Geomagnetic Institute		
Invisibles:		
Official travel		186,000
Visibles		<u>5,515,000</u>
Total		<u>148,674,000</u>
24 Federal Committee for Labor, Health and Social Welfare		
1) Payments of its own		
Invisibles:		
Official travel	2,992,000	
Assessments	<u>237,426,000</u>	240,418,000
2) To meet the needs of the Federation of Health Insurance and Health Care Communities of Yugoslavia		
Invisibles:		
Official travel	39,000	
Health care	<u>258,167,000</u>	258,206,000
3) To meet the needs of the Federation of Old-Age and Disability Insurance Communities of Yugoslavia		
Invisibles:		
Official travel	203,000	
Assessments	<u>3,072,000</u>	<u>3,275,000</u>
Total		<u>501,899,000</u>
25 Federal Bureau for Employment Security		
Invisibles:		
Official travel		<u>1,439,000</u>
Total		<u>1,439,000</u>
26 Federal Committee for Affairs of Veterans and Military Disabled Persons		
Invisibles:		
Official travel	148,000	
Disability benefits	157,279,000	

<u>1</u>	<u>2</u>	<u>3</u>
	Other payments	21,405,000      178,832,000
	Total	178,832,000
27	Federal Customs Administration	
	Invisibles:	
	Official travel	886,000
	Assessments	4,530,000      5,416,000
	Visibles	131,886,000
	Total	137,302,000
28	Federal Air Traffic Control Administration	
	Invisibles:	
	Official travel	1,240,000
	Assessments	1,275,000
	Specialization	7,621,000
	Other payments	31,495,000      41,631,000
	Visibles	300,000,000
	Total	341,631,000
29	Federal Administration for Radio Communications	
	Invisibles:	
	Official travel	1,067,000
	Assessments	1,181,000
	Other payments	787,000      3,035,000
	Visibles	4,921,000
	Total	7,956,000
30	Federal Market Inspectorate	
	Invisibles:	
	Official travel	99,000
	Total	99,000
31	Federal Foreign Exchange Inspectorate	
	Invisibles:	
	Official travel	2,869,000
	Total	2,869,000

<u>1</u>	<u>2</u>	<u>3</u>
32	Federal Aviation Inspectorate	
	Invisibles:	
	Official travel	1,045,000
	Other payments	248,000
	Visibles	<u>1,293,000</u>
		<u>2,165,000</u>
	Total	<u>3,458,000</u>
33	Federal Bureau for Social Planning	
	Invisibles:	
	Official travel	99,000
	Total	<u>99,000</u>
34	Federal Community for Price Affairs	
	Invisibles:	
	Other payments	295,000
	Total	<u>295,000</u>
35	Federal Bureau for International Scientific, Educational and Cultural, and Technical Cooperation	
	Invisibles:	
	Official travel	5,420,000
	Assessments	56,582,000
	Other payments	108,265,000
		<u>170,267,000</u>
	Total	<u>170,267,000</u>
36	Federal Bureau for Statistics	
	Invisibles:	
	Official travel	551,000
	Assessments	199,000
	Visibles	<u>750,000</u>
		<u>10,484,000</u>
	Total	<u>11,234,000</u>
37	Federal Hydrometeorological Bureau	
	Invisibles:	
	Official travel	413,000
	Assessments	49,959,000
	Other payments	689,000
		<u>51,061,000</u>

<u>1</u>	<u>2</u>	<u>3</u>
Visibles		<u>17,716,000</u>
Total		<u>68,777,000</u>
38 Federal Bureau for Standardization		
Invisibles:		
Official travel	1,378,000	
Assessments	10,752,000	
Other payments	<u>421,000</u>	12,551,000
Visibles		<u>1,356,000</u>
Total		<u>13,907,000</u>
39 Federal Bureau of Patents		
Invisibles:		
Official travel		197,000
Visibles		<u>3,543,000</u>
Total		<u>3,740,000</u>
40 Federal Bureau for Weights and Measures and Precious Metals		
Invisibles:		
Official travel	413,000	
Assessments	3,315,000	
Other payments	<u>421,000</u>	4,149,000
Visibles		<u>20,000,000</u>
Total		<u>24,149,000</u>
41 Federal Geological Bureau		
Invisibles:		
Official travel		<u>417,000</u>
Total		<u>417,000</u>
42 Yugoslav Archives		
Invisibles:		
Official travel	453,000	
Assessments	160,000	
Other payments	<u>188,000</u>	801,000
Visibles		<u>2,330,000</u>
Total		<u>3,131,000</u>

<u>1</u>	<u>2</u>	<u>3</u>
43	Federal Directorate for Reserves of Foodstuffs	
	Invisibles:	
	Official travel	374,000
	Other payments	<u>24,000</u>
		<u>398,000</u>
	Total	<u>398,000</u>
44	Federal Directorate for Reserves of Industrial Products	
	Invisibles:	
	Official travel	<u>1,116,000</u>
	Total	<u>1,116,000</u>
45	Department for Rendering Services To Meet the Entertainment Needs of Federal Bodies and Agencies	
	Invisibles:	
	Official travel	2,669,000
	Other payments	<u>70,435,000</u>
	Visibles	<u>73,104,000</u>
		<u>75,465,000</u>
	Total	<u>148,569,000</u>
46	Department for Technical Support Services of Federal Administrative Agencies and Federal Organizations	
	Visibles	<u>39,369,000</u>
	Total	<u>39,369,000</u>
47	Motor Pool of Federal Bodies and Agencies	
	Visibles	<u>4,990,000</u>
	Total	<u>4,990,000</u>
48	Administration of Federal Office Buildings	
	Invisibles:	
	Official travel	49,000

<u>1</u>	<u>2</u>	<u>3</u>
	Visibles	<u>11,811,000</u>
	Total	<u>11,860,000</u>
49	Federal Fund for Credit Financing the Faster Development of Economically Underdeveloped Republics and Autonomous Provinces	
	Invisibles:	
	Official travel	<u>68,000</u>
	Total	<u>68,000</u>
50	Presidium of the Central Committee of the League of Communists of Yugoslavia	
	1) Payments of its own	
	Invisibles:	
	Official travel	1,787,000
	Other payments	<u>53,687,000</u>
	Visibles	55,474,000
		<u>6,692,000</u>
	2) To meet the needs of the newspaper publishing enterprise "Komunist"	
	Invisibles:	
	Official travel	1,165,000
	Other payments	<u>4,897,000</u>
	Visibles	6,062,000
		<u>90,000</u>
	3) To meet the needs of the Administration of the Building of the LCY Central Committee and the Serbian LC Central Committee	
	Invisibles:	
	Official travel	51,000
	Other payments	<u>248,000</u>
	Visibles	299,000
		<u>16,988,000</u>
	Total	<u>85,605,000</u>



<u>1</u>	<u>2</u>	<u>3</u>
51	Federal Conference of the Socialist Alliance of Working People of Yugoslavia	
	1) Payments of its own	
	Invisibles:	
	Official travel	6,698,000
	Assessments	163,000
	Other payments	<u>16,165,000</u>
		23,026,000
	2) To meet the needs of the "Borba" newspaper publishing and printing enterprise	
	Invisibles:	
	Official travel	8,035,000
	Bureaus	21,409,000
	Other payments	<u>6,952,000</u>
	Visibles	36,396,000
		<u>126,548,000</u>
	Total	<u>185,970,000</u>
52	Presidium of the Conference of the Socialist Youth League of Yugoslavia	
	Invisibles:	
	Official travel	9,068,000
	Assessments	<u>574,000</u>
	Visibles	9,642,000
		<u>1,311,000</u>
	Total	<u>10,953,000</u>
53	Federation of Associations of Veterans of the National Liberation War of Yugoslavia	
	Invisibles:	
	Official travel	1,946,000
	Assessments	<u>143,000</u>
		2,089,000
	Total	<u>2,089,000</u>
54	Councils of the Federation of Yugoslav Trade Unions	
	Invisibles:	
	Official travel	6,063,000
	Assessments	<u>2,688,000</u>

<u>1</u>	<u>2</u>	<u>3</u>	
	Other payments	<u>7,165,000</u>	<u>15,916,000</u>
	Total		<u>15,916,000</u>
55	Office of the President of the Yugoslav Red Cross		
	Invisibles:		
	Official travel	1,539,000	
	Assessments	5,239,000	
	Other payments	<u>4,921,000</u>	<u>11,699,000</u>
	Total		<u>11,699,000</u>
56	Yugoslav League for Peace, Independence and Equality of Nations		
	Invisibles:		
	Official travel	894,000	
	Assessments	<u>128,000</u>	<u>1,022,000</u>
	Total		<u>1,022,000</u>
57	Federation of United Nations Associations of Yugoslavia		
	Invisibles:		
	Official travel	236,000	
	Assessments	<u>118,000</u>	<u>354,000</u>
	Total		<u>354,000</u>
58	Yugoslav Federation for Physical Education		
	Invisibles:		
	Official travel	20,801,000	
	Assessments	<u>7,040,000</u>	<u>27,841,000</u>
	Visibles		<u>18,700,000</u>
	Total		<u>46,511,000</u>
59	"Narodna tehnika" Society--Federation of Yugoslav Organizations for Popular Technical Education		
	Invisibles:		
	Official travel	988,000	
	Assessments	<u>1,433,000</u>	<u>2,421,000</u>
	Total		<u>2,421,000</u>

<u>1</u>	<u>2</u>	<u>3</u>
60	Federation of Yugoslav Firefighters	
	Invisibles:	
	Official travel	256,000
	Assessments	<u>106,000</u>
		362,000
	Total	<u>362,000</u>
61	Yugoslav Traffic Safety Council	
	Invisibles:	
	Official travel	216,000
	Assessments	<u>123,000</u>
		339,000
	Total	<u>339,000</u>
62	Social Accounting Service of Yugoslavia	
	Invisibles:	
	Official travel	876,000
	Assessments	709,000
	Other payments	<u>5,512,000</u>
	Visibles	7,097,000
		<u>833,654,000</u>
	Total	<u>840,751,000</u>
63	National Bank of Yugoslavia	
	Invisibles:	
	Official travel	3,834,000
	Assessments	268,000
	Specialization	3,268,000
	Other payments	<u>11,590,000</u>
	Visibles	18,960,000
		<u>433,060,000</u>
	Total	<u>452,020,000</u>
64	Tourist Alliance of Yugoslavia	
	Invisibles:	
	Official travel	115,000
	Representative offices	177,160,000
	Other payments	<u>105,768,000</u>
		283,043,000
	Total	<u>283,043,000</u>

<u>1</u>	<u>2</u>	<u>3</u>
65	Economic Chamber of Yugoslavia	
	Invisibles:	
	Official travel	3,983,000
	Representative offices	197,072,000
	Fairs and exhibitions	108,364,000
	Assessments	2,970,000
	Other payments	2,634,000
	Visibles	315,023,000
		840,000
	Total	315,863,000
66	Cooperative Alliance of Yugoslavia	
	Invisibles:	
	Official travel	174,000
	Assessments	592,500
	Total	766,500
67	SFRY National Committee of the International Chamber of Commerce	
	Invisibles:	
	Official travel	78,000
	Assessments	582,000
	Total	660,000
	Grand total	80,183,041,500

7045

CSO: 2800/164

## REPUBLIC FOREIGN TRADE BREAKDOWN FOR 1983

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 27 Jan 84 p 3

[Article by M. Urosevic: "Differing Contribution to an Appreciable Improvement"]

[Text] The Federal Bureau of Statistics has just these past few days published the results of the Yugoslav economy's foreign trade last year in a breakdown by republics and provinces, by economic purposes and by currency areas, and the final results will also be presented for various economic sectors and branches, according to the Uniform Business Classification.

Meanwhile, with certain recomputations it is possible even now to point to certain characteristic elements and relations which certainly are of interest to all participants in that trade as well as to other interested parties. This especially applies to the fact that even under the markedly unfavorable conditions for the conduct of economic activity which prevailed last year, appreciable improvements were achieved in the percentage of exports to imports, especially in trade with the convertible area, but it also applies to the widely differing share of various sociopolitical communities in the results achieved. The question of how much this results from objective causes and how much from the still inadequate commitment to make the burden of foreign debt more supportable as soon as possible, which cannot be done without larger exports, is to be the subject of analysis in organizations of associated labor, economic chambers, general associations and other interested, but also responsible institutions.

Table 1. Foreign Trade in 1983

Sociopolitical Community	In Millions of Dinars			Percentage of Exports to Imports	Share, %		
	Exports	Imports	Deficit		Ex- ports	Im- ports	Defi- cit
SFRY	628,955	771,292	142,337	81.5	100.0	100.0	100.0
Bosnia-Her- cegovina	92,754	106,410	13,656	87.2	14.7	13.8	9.6
Montenegro	10,433	10,295	+138	101.3	1.7	1.3	--
Croatia	135,027	158,893	23,866	86.0	21.5	20.6	16.8
Macedonia	31,947	50,446	18,499	64.4	5.1	6.5	13.0

Table 1 (continued)

Sociopolitical Community	In Millions of Dinars			Percentage of Exports to Imports	Share, %		
	Exports	Imports	Deficit		Ex- ports	Im- ports	Defi- cit
Slovenia	131,534	141,779	10,245	92.8	20.9	18.4	7.2
Serbia proper	159,158	168,094	8,936	94.7	25.3	21.8	6.2
Kosovo	12,050	15,190	3,140	79.3	1.9	2.0	2.2
Vojvodina	55,581	81,977	26,396	67.8	8.8	10.6	18.5
Federation	470	38,208	37,738	1.0	0.1	5.0	26.5

In all, goods worth 628,955 million dinars were exported to foreign markets last year, which, converted at the current rate of exchange of 63.40 dinars per dollar, amounts to \$9.92 billion, or 171 billion dinars, that is, \$3 million, less than a year previously, which does not amount to even 1 percent.

The improvement was achieved by reducing imports, but this also had adverse consequences in the process of reproduction in some places. Thus 771,292 million dinars, or \$12,165 million, were paid for imports, which is 40.7 billion dinars, or \$642 million, less than a year previously, and that is at the same time the net result of the improvement.

As we see from Table 1 the most important indicator is the percentage of exports to imports, which is 81.5 percent against 77.5 percent in 1982. In other words, the deficit has been reduced to 142,337 million dinars, that is, \$2,245 million, compared with 183,045 million dinars, or \$2,887 million, in 1982.

It is further evident that only Montenegro had larger total exports than imports, if exports amounting to 101.30 dinars for every 100 dinars of imports, so that it had a net surplus of 138 million dinars. It was followed by Serbia proper, with 94.70 dinars of exports for every 100 dinars of imports, and then come Slovenia, Bosnia-Hercegovina, Croatia and Kosovo, while Vojvodina recorded a markedly adverse relationship of 67.80 dinars of exports and Macedonia 64.40 dinars of exports for every 100 dinars of imports.

If we examine the last three columns in Table 1, we see the relationship which the various republics and provinces have in this trade. Serbia proper had the highest share in exports, slightly more than one-fourth of the total, and it was also first in imports, but here it was only slightly ahead of Croatia, so that with a share of only 6.2 percent of the total deficit, it was down in sixth place. Montenegro, Bosnia-Hercegovina, Croatia and Slovenia showed decreasing percentages if we move from exports by way of imports to the deficit, while Macedonia, Kosovo and Vojvodina showed rising percentages from a low share in exports, a slightly higher share of imports and the highest share in the deficit.

7045

CSO: 2800/186

## REPUBLIC BREAKDOWN IN FOREIGN TRADE DEFICIT, SOCIAL PRODUCT SHARE

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 2 Feb 84 p 3

[Excerpt]

12 Spoljnotrgovinski deficit po godinama										
1	1979.		1980.		1981.		1982.		1983.	
	Mil. dinara	%	Mil. dinara	%	Mil. dinara	%	Mil. dinara	%	Mil. dinara	%
SFRJ	116.267	100,0	166.171	100,0	131.806	100,0	129.282	100,0	142.337	100,0
2 Bosna i Hercegovina	9.435	8,1	17.238	10,4	14.730	11,2	13.749	10,6	13.656	9,6
3 Crna Gora	3.066	2,6	3.901	2,3	6.200	4,7	4.324	3,3	+ 138	—
4 Hrvatska	34.703	29,9	52.050	31,3	42.540	32,3	36.656	28,4	23.866	16,8
5 Makedonija	8.098	7,0	10.071	6,1	10.715	8,1	11.864	9,2	18.499	13,0
6 Slovenija	14.895	12,8	17.103	10,3	10.892	8,3	5.223	4,1	10.245	7,2
7 Srbija van teritorija i pokrajina	17.190	14,8	16.633	10,0	16.063	12,2	23.442	18,1	8.936	6,2
8 Kosovo	3.031	2,6	4.782	2,9	6.366	4,8	2.022	1,6	3.140	2,2
9 Vojvodina	11.884	10,2	25.059	15,1	12.318	9,3	9.858	7,6	26.396	18,5
10 FEDERACIJA	13.965	12,0	19.334	11,6	11.982	9,1	22.144	17,1	37.738	26,5

11 1) Iskorišćeni su podaci na osnovu pariteta dinara prema dolaru u navedenim godinama: 1979. godine 19,00 dinara za dolar, 1980. i 1981. godine 27,30 dinara, 1982. godine 41,80 dinara i prošle 1983. godine 63,40 dinara za dolar, što nema nikakvog različitog udela na procentualne odnose u stvaranju deficita.

## Legend:

1. million dinars
2. Bosnia-Hercegovina
3. Montenegro
4. Croatia
5. Macedonia
6. Slovenia
7. Serbia proper
8. Kosovo
9. Vojvodina
10. Federation
11. Data used are based on the following dinar exchange values for one dollar; 1979, 19 dinars to the dollar; 1980 and 1981, 27.30 dinars; 1982, 41.80 dinars; and 1983, 63.40 dinars which does not affect the percentage relation in forming the deficit.
12. Foreign Trade Deficit in Years

In the four years from 1979 to 1982 Bosnia-Hercegovina's share in creating the foreign trade deficit ranged from 8.1 to 11.2 percent, while its share in creating the social product of Yugoslavia amounted to 12.4 percent in 1979 and 13.4 percent in 1982. Montenegro's share in creating the social product was 1.7 percent and its share in the deficit is considerably more, but taken as whole, its share in both is very small, as is also that of Kosovo. In 1979 Croatia accounted for 26.2 percent of the social product and in 1982, 25.7 percent; while its share in the foreign trade deficit was larger in all four years. Macedonia's share in the social product was about 5.5 percent and it also had a considerably higher share in creation of the trade deficit, while Slovenia with a 16.8 percent share in the social product in 1979 and a 15.3 percent share in 1982, had a much more modest share in the trade deficit and this tendency is continuing to decline. Serbia proper presents the most positive example. Its share in the social product of Yugoslavia was 24.4 percent in 1979 and 24.2 percent in 1982, while it had a much smaller share in the trade deficit. While Vojvodina had a 10.9 percent share in the social product in 1979 and 11.4 percent share in 1982, its share in the trade deficit oscillated considerably.

In the 5 years considered, only Macedonia and Vojvodina considerably exceeded their share in the social product by their share in the trade deficit.

Evident [from the following table] is the disproportion in the coverage of imports by exports for the whole country and for individual republics and provinces, which to a large extent is based on the fact that this aspect of trade (most important, of course, from the standpoint of equalizing the burden in debt repayment,) has been neglected to a large degree. While exports must be increased, one must consider their starting base in assessing them, and not, as in earlier days, praise those with increased exports compared to the previous year, although their coverage of imports with exports is considerably lower than those who had a high starting base and who therefore could not have a high percentage growth in exports.

Finally, it is unfavorable that a large part of the deficit is thrown on the Federation (from about one-tenth or more in the first 4 years to more than one-quarter last year). In this way the republics and provinces reduce their share in the trade deficit and increase their coverage of imports with exports, which is only fictive and clouds the real situation.

[Table on following page]



# Coverage of Imports by Exports, 1979-1983

	1979.	1980.	1981.	1982.	1983.
S F R J	50,50	59,60	69,40	76,80	81,50
2 Bosna i Hercegovina	65,10	66,40	74,20	82,00	87,20
3 Crna Gora	38,50	49,60	40,60	63,00	101,30
4 Hrvatska	46,10	52,10	60,80	71,90	85,00
5 Makedonija	43,20	53,20	58,20	65,00	64,40
6 Slovenija	60,70	74,60	85,00	94,20	92,80
7 Srbija van teritorija i pokrajina	62,70	78,80	82,90	82,90	94,70
8 Kosovo	47,50	54,30	47,50	80,30	79,30
9 Vojvodina	41,70	44,80	65,90	77,60	67,80
10 FEDERACIJA	—	5,40	14,10	5,70	1,20

CSO: 2800/203

## MONEY IN FOREIGN EXCHANGE ACCOUNTS ON 30 NOV 1983, DURING 1978-82

Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 16 Jan 84 p 31

[Excerpt] [30 November 1983]

	1 Republika—pokrajina	2 Milijarde dinara	3 % učešća
4	SR Bosna i Hercegovina	133,4	15,4
5	SR Crna Gora	12,3	1,4
6	SR Hrvatska	267,6	30,9
7	SR Makedonija	74,9	8,6
8	SR Slovenija	79,8	9,2
9	SR Srbija	299,6	34,5
10	od toga:		
	— područje bez SAP	235,9	27,2
11	— SAP Kosovo	19,3	2,2
12	— SAP Vojvodina	44,4	5,1
13	Ukupno	867,6	100,0

## Legend:

- |                       |  |
|-----------------------|--|
| 1. Republic, province | 8. Slovenia                            |
| 2. billion dinars     | 9. Serbia including the provinces      |
| 3. percentage share   | 10. Serbia not including the provinces |
| 4. Bosnia-Hercegovina | 11. Kosovo                             |
| 5. Montenegro         | 12. Vojvodina                          |
| 6. Croatia            | 13. Total                              |
| 7. Macedonia          |  |

[1978-1982]

1 Godina	2 Milijarde dinara	3 % porasta
1978.	106,7	46,4
1979.	147,6	38,3
1980.	230,1	55,9
1981.	319,7	38,9
1982.	484,3	51,5

## Legend:

1. Year
2. billion dinars
3. percentage of growth

CSO: 2800/203

## MONEY SUPPLY DATA, 1981-1984

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 27 Jan 84 p 6

[Article by Miodrag Jankovic: "Two Differing Impressions of Growth"]

[Text] The projection of credit and monetary policy for this year has not been made official, though mathematically it was computed long ago. The Council of Governors of the National Bank of Yugoslavia has for the present agreed, so we have learned, only the way in which a portion of that projection will move. That is, it is well known how much the money supply and lendings of commercial banks can grow in the first quarter of this year, what can be the largest net domestic lendings of those banks, as well as who can count on what amounts of primary note issue as a source of credit, and so on.

There is nothing exceptionally new, much less magic, in this year's projection of credit and monetary policy, nor should there be. Its flows have been calculated on the basis of the numbers given in the Resolution on Socioeconomic Development and Economic Policy of Yugoslavia in 1984 and the relations set down in the Order on Goals and Tasks of Joint Note Issue and Monetary Policy and Joint Bases of Credit Policy in 1984. Although in the phase of being taken under consideration, it is certainly worth presenting certain relationships envisaged by the projection of credit and monetary policy. PRIVREDNI PREGLED published commentary on the projection as a whole and its principal numerical values in its issue for 20 January of this year.

Movement of the Money Supply and Miscellaneous Deposits of Commercial Banks

<u>Indicator</u>	<u>Size of Increase,</u> <u>billions of dinars</u>				<u>Percentage of Increase</u>			
	<u>81</u>	<u>82</u>	<u>83</u>	<u>84</u>	<u>81</u>	<u>82</u>	<u>83</u>	<u>84</u>
Real changes, omitting differences in rates of exchange								
Money supply	122	156	162	289	26.6	26.6	21.9	32.0
Quasi-money	178	156	88	255	23.1	15.1	6.3	15.1
Deposits								
Dinar	114	151	78	255	25.3	26.8	10.9	32.0
Foreign exchange	64	5	10	--	20.1	1.1	1.5	--
Total deposits	300	312	250	544	24.4	19.3	11.8	18.6

Table (continued)

Indicator	Size of Increase, billions of dinars				Percentage of Increase			
	<u>81</u>	<u>82</u>	<u>83</u>	<u>84</u>	<u>81</u>	<u>82</u>	<u>83</u>	<u>84</u>
Nominal changes, including differences in rates of exchange								
Money supply	122	156	162	289	26.6	26.6	21.9	32.0
Quasi-money	261	357	630	685	33.9	34.7	45.4	33.9
Deposits								
Dinar	114	151	78	255	25.3	26.8	10.9	32.0
Foreign exchange	147	206	552	430	46.1	44.2	82.1	35.1
Total deposits	382	513	792	974	31.1	31.8	37.2	33.3

## Faster Growth of the Social Product

It is impossible to cover in one breath everything that is contained in the projection of credit and monetary policy and at the same time pronounce some comment on certain relations whereby the policy so conceived is to be realized in the economy. Certainly we should first examine how the money supply and its relations with other dinar deposits have been projected. At the same time, of course, we should also indicate certain goals of the assumed movements of the money supply and above all the rise in the turnover coefficient of the money.

The money supply in 1984 will increase, it is estimated on the basis of last year's growth and the assumed growth of the social product this year, by 289 billion dinars, or 32 percent. Last year the money supply rose 162 billion dinars, which is only 21.9 percent over 1982. This kind of growth of the money supply can create two differing impressions. With respect to the level of the percentage of growth, the impression is that this year it will be high and adequate, especially combined with a higher turnover coefficient of the money. Given the growth rate of the social product--nominally almost 43 percent--it might be regarded, and even would not be wrong, that a markedly restrictive credit and monetary policy has been projected for this year.

The authors of the projection feel that these relations, assuming appropriate measures are taken in many other areas as well, would in essence be good, especially if financial discipline improves, if settlements speed up, and so on. This can also be taken as saying that the social product could increase 43 percent with smaller quantities of money, even with such a small quantity as the proposed growth of the money supply. Among bankers, it is well known, those are in a majority who argue that such relations are excessively restricted and will have bad consequences for the economy and the banks.

## Faster Circulation of Money

It is assumed that miscellaneous dinar deposits--savings deposits of individuals (short-term and long-term), various time deposits of the economy and other sectors, securities and restricted deposits--will also increase in 1984,

above all because of interest rate policy. It is assumed that these deposits will also increase 32 percent, which will amount to 255 billion dinars. The proponents also add that the prospects are quite realistic for reducing other forms of expenditure as well, and this could adversely influence the growth of these deposits, although creation of this type of deposit is influenced by various factors which have opposing effects.

Foreign exchange deposits of the economy and individuals in 1984, it is estimated, will remain at last year's level.

The total growth of deposits--dinar and foreign exchange--would amount to 544 billion dinars this year in real terms, which is an increase of 18.6 percent. The nominal growth, including results from changes in the rate of exchange of the dinar, is estimated at 974 billion dinars, or 33.3 percent. The 18.6-percent growth was calculated against the gross status of total deposits at the end of 1983, so that we can assume that that increase also contains a very large amount of differences resulting in changes of rates of exchange that occurred during the past year.

It is beyond dispute, when one carefully examines these movements of the money supply and miscellaneous deposits of the commercial banks, that the rate of circulation of the money has experienced a certain increase. The turnover coefficients of deposits are also slightly higher.

It is estimated that the rate of circulation of the money--of the money supply and miscellaneous deposits--will increase 8.1 percent this year. The turnover coefficient would increase from 5.20 at the end of 1983 to 5.62 at the end of 1984. Examinations of money flows last year and possible movements this year point to the conclusion that it is quite realistic to expect that the turnover coefficient of total dinar deposits, including the money supply, will increase 8 percent from the 2.76 achieved last year to 2.98 at the end of 1984. It is anticipated that the turnover coefficient of total deposits will increase this year by 1.7 percent in nominal terms, slightly more than in the previous year (1.6 percent).

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CSO: 2800/186

MACEDONIAN ECONOMIC RESULTS FOR 1983

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 19 Jan 84 p 2

[Article by T. Gruevski: "First Estimates Encouraging"]

[Text] Although the figures on last year's business operation of the Macedonian economy are still being put in order and will be known only late next month, on the basis of certain examinations and the quarterly indicators, and within that framework, attained by the basic goals and tasks of development policy in the year which is behind us [sic]. It must immediately be said that in spite of the problematical economic and social conditions and difficulties, results were achieved in the past year which show a satisfactory continuity in the republic's social and material development. This especially applies to trends in production and foreign trade, which have been and still are priority tasks. Although the results in these fields are short of what was planned, they are nevertheless significant under the conditions imposed by the numerous factors limiting economic development.

The physical volume of industrial output in the period January-November showed a 4.2-percent increase over the same period of the previous year and exceeded the country's average growth. It is interesting in this connection that in November alone output was 12.2 percent greater than in the next to the last month of 1982. An increase was recorded in 17 industrial branches, and a decline of output in 14.

Ferrous metallurgy, the electric power industry, tobacco production and manufacturing, the food processing industry, ores and nonferrous metals production, the electrical equipment industry, leather footwear and accessories, and the production of building materials showed a larger share in the structure of total output.

Among those branches which have a sizable proportion in the structure of output an appreciable decline of output occurred in metal manufacturing, textile finishing, yarn and fabric production, the beverage industry, production of nonmetallic minerals and the manufacture of finished wood products.

The inadequate supply of electric power and other fuels used for power as well as the shortage of raw materials and production supplies, especially those which are imported, are singled out as key factors in the decline of

output. Let us only say in this connection that in Macedonia the SFRY energy balance was carried out at a level of 63 percent for heavy fuel oil, 80 percent for electric power and 82 percent for crude petroleum. It is estimated that industrial output in the republic fell off about 3 percent solely because of the shortage of quantities of energy fuel allocated in the balance.

Significant results were also achieved in foreign trade. According to figures which are still incomplete, exports to the convertible market increased 12 percent last year, while imports were down 28 percent, so that the republic's trade deficit with that region was reduced by 60 percent.

We should emphasize that through the next to the last month of last year the republic's fixed and guaranteed obligations to the convertible area (\$192.5 million) were met in their entirety, the debt of \$29.2 million remaining unpaid for December, with real prospects that it will be paid on time.

Incidentally, over the period January-November of last year the Macedonian economy had total exports of goods and services amounting to 27.42 billion dinars of foreign exchange, which is still 1 percent less than for the same period of the previous year.

Total imports over that period amounted to 42,726 million dinars, 22.93 billion dinars of which came from the convertible market, which is 28 percent less than in the first 11 months of 1982. It is also worth saying that Macedonia's imports from the convertible area were in last place among the republics and provinces except for Montenegro.

Although the situation in foreign trade continues to be unfavorable (the ratio of exports to imports is 64.2 percent), last year's results suggest that Macedonian business people are on the right road toward a quite considerable improvement of the balance of business transactions with foreign countries.

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CSO: 2800/173

## DECLINING INVESTMENT TRENDS IN 1983, 1984

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 19 Jan 84 p 5

[Text] A discrepancy between supply and demand was once again characteristic of the past year. Numerous factors, both economic and noneconomic in nature, had a bearing on the gap between them. To a great extent these developments are also influencing the trends of demand this year.

In 1983 the appreciable drop in capital expenditure continued, so that payment for completed investments in fixed capital rose only 15 percent. If we take into account here the rise in the prices of capital goods and trends in the production, imports and exports of equipment, then it can be estimated that the real volume of investment in 1983 dropped approximately 15 percent from the previous year (according to available figures, producers' prices in industry rose about 30 percent during the first 11 months of 1983. At the same time there was a real decline of about 20 percent in imports of equipment, about 5 percent for exports of equipment, and about 2 percent in the output of machines and equipment).

This large real drop in capital expenditure is a consequence of the diminished credit support (over the period January-October 1983 the share of bank resources in total payments on completed investment projects amounted to 38.5 percent, as against 43 percent at the same time of 1982, while the share of resources of OUR's [organization of associated labor] in the economy rose from 39 percent to 45 percent), of the prohibition on certain types of investment, especially concerning noneconomic projects, the steady drop in the accumulative capability of the economy and the growing losses, the rapid devaluation of the already low accumulation, payments come due on the use of credits for investment projects carried out previously, large obligations to foreign suppliers, the fragmentation of accumulation at the national level, lower down at the republic and provincial level, and indeed even within organizations of associated labor themselves. The large cutback in investments hit the construction industry hardest; its utilization of available production capacity was greatly reduced.

Although the current drop in production of machines and equipment in industry is more a consequence of problems in obtaining production supplies, the reduction of investments will soon begin to have an impact on that output as well. It is especially unfavorable that the reduction of sources of financing for



capital investment projects is affecting projects in the so-called priority areas of the fuel and power industry, the agroindustrial complex, the heavy chemical industry, and other raw materials branches, so that the planning targets are not being fulfilled even in this area. This certainly makes it more difficult to eliminate the structural disproportions in the economy and is resulting in its ever greater technological lag behind the advanced countries.

During the third quarter of 1983 there was some intensification of activity to complete priority capital investment projects already under way. To a certain extent this increased the domestic demand for machines and equipment in industry and stimulated construction activity on capital investment projects compared to the first half of the year. Nevertheless, it is estimated that total investment demand is still lagging considerably behind the corresponding period of the previous year and started this year with rates of decline of approximately 20 percent.

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CSO: 2800/173

STATUS OF CAPITAL INVESTMENT DISCUSSED

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 24 Jan 84 p 2

[Article by Ljiljana Baraktaravic: "Unpaid Bills"]

[Text] Have we finally drawn a more or less firm, but long-awaited line beneath the unpaid "bills" for investments? This past year undoubtedly promises that to some extent, but it is certainly too early to take an oath that we have thereby turned over a new leaf with respect to investments. After all, many heads are already aching from investment projects, and there are many more that are still to ache--not so much on this occasion because of their growth rates or rates of decline, which are actually in line with the expectations of the planning documents, as because of all the other things usually placed over the common denominator of their structure, sources of financing, repayment periods.... The time is obviously past for measuring one's performance above all by a new investment project or a facility that has been built, but it seems that this has not yet been grasped everywhere, at least not to the extent urged by the established policy in this field of economic activity.

In announcing the results of this truly thorough study of investments up to the end of September 1983 in the report just published, the Social Accounting Service did leave for itself the observation that investments last year declined 12.5 percent in real terms. From that standpoint even this year's planned reduction in the real volume of investment by a further 10 percent ought not to be any hard nut to crack. Too hard a nut, however, is the fact that the anticipated changes in the composition of investment, which would above all signify a turn toward priority projects, have again on this occasion failed to keep pace with the real decline of investments. In practical terms, it has brought with it only new headaches--a decline in construction activity, a slowdown of production as a whole, affecting thereby employment, and so on.

Still No Passing Grade

In 1983, that is, 13,217 projects were completed with an aggregate estimated cost of slightly over 413 billion dinars. This is almost a fourth of the total value of all investment projects under construction. To be sure, on the basis of information from some of its organizational units, the Social

Accounting Service assumes that there are another 937 completed projects listed as projects under construction, and their value exceeds 101 billion dinars. At the same time, the number of new project starts last year was the smallest over the last 7 years--"only" 10,912, accounting for a fifth of the total value of all projects under construction.

This reduction can undoubtedly be taken as encouraging, but the fact that so many projects are being built when there is a general shortage of money warns that real capabilities are being quite seriously exceeded, as indeed is the agreed policy in this field. Especially since not even a fifth of the construction starts over the last 6 months of last year were "calculated" to solve any of the many quite well-known problems in activities whose faster development has been agreed on. The priorities will once again be short-changed, no doubt about it. And the fact that only a fourth of the value of all last year's investment projects will cover some of their "bottlenecks," quite certainly does not support the agreement on selective commitment of available resources to the development of priority activities. Much the same is true of total investments during the current 5-year period--only slightly more than 50 percent have to do with priorities in which 61.4 percent of the total value of projects under construction will be spent.

That unfortunately is not the only reason which "asserts" that investments still do not deserve a passing grade in spite of the frequent examinations given to improve the grade. After all, the tendency to build tiny projects continued in 1983. The value of 81.9 percent of all investment projects did not exceed 50 million dinars. By contrast with them, only 2.1 percent of new investments will require more than 500 million dinars. Nor does their economic composition offer much that is new--economic investment projects have not managed to improve their proportion by even an entire index point relative to the first quarter of last year.

#### On the Basis of Realistic Prospects

Judging by investments, people are "protecting" their own bailiwicks still better and more firmly, threatening new encapsulization, with all the economic consequences. Total investments over republic and provincial borders are even dropping, even though their share is truly symbolic and will take a long time yet to reach even 1 percent of the estimated cost of all investments. Only half of that is going to the economically underdeveloped republics and Kosovo.

Given the serious shortage of money, which on this occasion has hit not only the economy, but also the banks, and which, there is no doubt about it, has been generated in large part by investments, one can hardly be satisfied with the way in which new investment projects are being financed. By and large it is all in the old way and above all unfavorable. The low capacity for capital formation and low capacity for reproduction have predetermined that the ability for self-financing would be too small, driving the economy to address still louder appeals and demands to the banks. That is, of all the resources furnished to finance investment programs only slightly more than one-fourth was "furnished" from the investor's own money. Only half of that has been

placed in a separate account for that purpose. The other 50 percent is anticipated from future revenues, which is not only unfavorable for several reasons, but is equally uncertain. Pooled capital represents weak and above all modest aid--it has a share of only 12.9 percent in financing investment projects, or 1.2 percentage points more than a year previously.

In this kind of situation falling back on bank credit, though expensive, seems the only solution for people who do not understand or who do not want to understand that it lies above all in a further restraint from investment or halting projects already begun, especially those which have not been furnished sound backing or which have not been given a "visa" by this year's resolution on economic development. There is no doubt, in 1983 we finally began to total up the unpaid investment "bills," and that is a good thing, but the extent and quality of this effort are far from satisfying the increasingly numerous and ever more selective requirements of the agreed policy in this area. Investments must be made, but according to realistic material and financial capabilities, in which there is truly no room for "one's own" ambitions.

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CSO: 2800/180

MACEDONIAN BANKING STRUCTURE HAMPERS ECONOMIC GROWTH

Belgrade BORBA in Serbo-Croatian 28 Dec 83 p 6

[Article by Z Georgievski]

[Text] Financial strength most often is bounded by opstina boundaries, so that some banks have surpluses of dinars and foreign exchange currency, while others, in neighboring opstinas, have a few dinars in their operating accounts only 2 days a month. Development of the Macedonian economy dictates strengthening the banks.

Skopje, 27 December. The organizational structure of banks in Macedonia is one of the causes for cash-flow problems and unfavorable economic conditions. For that reason, the Central Committee of the Macedonian LC has approved a resolution on the need for strengthening the banks, as one of the conditions for more effective monetary operations. This action has been reported by TANJUG. The most significant objective of this action will be to overcome the strictly closed local and most often opstina boundaries of financial strength; in which banking decisions usually are made by the sociopolitical superstructure and much less commonly by associated labor.

Surpluses and Empty Accounts

There are 29 banks in Macedonia, of which 28 are primary banks. Within the framework of the Stopanska [Economic] Bank, 25 banks formed the Združena [Associated] Bank in Skopje. Also operating with significant credit potential but with very little role in developing the economy are Zemljodelska [Agricultural] Bank, Ljubljana Bank and Jugobank, which have organized into primary banks and two commercial units, the Yugoslav Investment Bank, JIK, and Invest Bank.

For example, the primary banks at Kumanovo, Kavadarci, Bitola and Skopje are not able to keep track of the current operation and development of the economy, especially in industry and agriculture. On the other hand, banks in other opstinas are not interested in cooperation. What is more, it often occurs that within the framework of the Economic Bank, some primary banks will have surpluses of dinars and foreign

exchange currency, while others in neighboring opstinas will not have a dinar in their account two days a month! That is another indication that associated labor has no significant, let alone dominating impact on the banks' commercial policy. It is almost unbelievable that frequently, labor organizations from other opstinas will talk about cooperation, but the banks do not do so, most often because of local "factors" that pursue a policy that boils down to "our bank is sufficient for our opstina."

The banks would need strengthening even if these and similar problems did not exist, for the development of the Macedonian economy dictates it. There is resistance, some want to preserve the present status or at least exert a decisive influence on decisions about future modes of organization. Those who support such resistance forget, however, that associated labor will make the decisions about its own fate and about bonds with the banks. Therefore, the advocates of bank reinforcement projects strive first of all to test opinions in associated labor organizations as to how affairs should be organized from a financial standpoint, so that decisions can be made as to whether an opstina center will have a bank or not.

#### Pooling Capital

Concrete ideas on pooling the economy's financial capital in a framework of production units have growing support among businessmen so that further action can be expected along those lines. It is no accident that the materials of the Commission for Monitoring Stabilization of the Macedonian LC Central Committee insists that "communists in labor organizations, the Economic Chamber and the banks should show a high level of readiness for such major changes, which will enable the banks to become a competent and powerful factor in stabilization." This should be stressed in particular since the problem does not belong only to the banks. Rather, it is a significant sociopolitical, economic and ideological question. No matter how the banks are organized, they alone cannot create new resources, and consequently in this case the bankers cannot have the decisive role in final decisions.

The specific nature of Macedonian banks is that their effectiveness is regarded as substandard by Yugoslav measures. We know that because of the insufficiently effective system throughout the country, plans are being made to change bank operations everywhere. That means that whatever the nature of changes made now, they will not affect the process of strengthening the banks, but will be welcome as a support for their effectiveness and for the operations of associated labor.

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CSO: 2800/162

## SUGAR PRODUCTION, CONSUMPTION, IMPORTS IN 1983-84

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 8 Feb 84 p 4

[Excerpt] Over 150,000 hectares were planted in the spring of 1983 in sugar beets, but because of weevil attacks, more than 10,000 hectares had to be plowed under. As a result only 141,000 hectares were cultivated of which 109,000, or about 70 percent were on socialized farms. Total sugar beet production was 5,876,000 tons (4,691,000 tons from the socialized sector), or 3 percent more than in 1982. From this production about 709,000 tons of sugar were produced, or about 40,000 tons less than in 1982. In order to meet domestic needs in 1983/84, about 850,000 tons of sugar must be imported by the end of August 1984. It was also planned to export 70,000 tons of sugar...from Vojvodina. By the end of 1983 about 30,000 tons of this amount had already been exported (at an average price of about 250 U.S. dollars), so about 40,000 tons remained to be exported. Now the Federal Directorate for Reserves of Food Products is negotiating with organizations of associated labor to discontinue sugar exports and be compensated for this in foreign exchange.

Up until June of last year the market was satisfactorily supplied with sugar; then because of late imports of sugar from July to September, there were shortages. With sugar being made available from new production, the situation in regard to supplies has now normalized. Sugar factories report that from the beginning of the harvest to 31 December 1983, 307,410 tons of sugar were sold, 31,087 tons of which were for export. Average monthly sale to the domestic market during this period was about 80,000 tons. If sales remain on a realistic level, sugar supplies could last until June 1984.

The sugar deficit for 1983-84 of about 170,000 tons should be covered by imports. All republics and Kosovo, but not Vojvodina, have a sugar deficit. (It is estimated that more than 100,000 tons of sugar are used annually to produce alcoholic beverages.)

In 1984 sugar beets were planned to be planted on 188,500 hectares, or about 47,000 more than in 1983, resulting in a production of about 8 million tons of beets and over 100,000 railroad carloads of sugar which could even exceed domestic needs by about 10,000 railroad carloads. But because this assumes an increase in acreage planted by private farmers, it is more realistic to expect a total planted area of up to 160,000 hectares.

CROATIAN OFFICIAL SPEAKS OUT ON ENERGY PROBLEMS

Zagreb DANAS in Serbo-Croatian 27 Dec 83 pp 9-12

[Interview with Rade Pavlovic, chairman of the Federal Committee for Energy, Industry, Mining and Small Business and member of the Federal Executive Council, by Mila Stula: "Without Energy Because of Illusions; date and place not specified]

[Text] We must break out of the rather entangled circle of electric power, money, production and exports as soon as possible. The responsibility which belongs to everyone is at the same time responsibility for Yugoslavia's unhindered and free development. We have to overcome all sorts of narrow local, republic, provincial or any other interests which in seeking solutions stand in the way of our getting out of the crisis. The difficulties and disagreements which have accompanied the Yugoslav economy this year will be a good lesson for 1984. So that if our economic stride in 1983 was tottering, our firm stride in 1985 will depend on 1984 and the lessons we have gained.

We interviewed engineer Rade Pavlovic, chairman of the Federal Committee for Energy, Industry, Mining and Small Business and a member of the Federal Executive Council [SIV], about certain problems which have been with us in this period and about which we have reflected the most.

[Question] It is said that electric shocks in Yugoslavia are equal to the political shocks. How accurate is that assessment?

[Answer] It seems to me that that assessment has its justification at the moment. I think that the shortage of electric power, especially because of consumers being disconnected, often for lengthy periods of time, has created not only technical problems, but political problems as well. I think that only now society has realized exactly what electric power means to economic development and to the tenor of life.

[Question] What exactly do you mean when you say that certain political problems have arisen?

[Answer] The political problems are reflected in the general dissatisfaction of the people, who have become accustomed to have electric power, so that as soon as we cut it off they first become dissatisfied with the energy policy,



and then, the longer the shortages last, they begin to be dissatisfied with overall policy. The roots of dissatisfaction are clear, all our affairs are related to electric power. Life is beginning to get complicated in this shortage, so that often people begin to look for responsibility in society.

[Question] Exactly whose responsibility is being sought?

[Answer] The responsibility is above all associated with the people engaged in generating electric power and supplying it to the public. However, it would be unfair to call only those people to account, since there are manifold reasons for the shortage of electric power. Certainly one of the most important ones is that the overall development of energy has gone slowly, little has been invested, in some years even less than 20 percent of total investment in industry, while under our conditions that investment ought to amount to between 30 and 35 percent of total investments. The situation today is the result of all that. So, the responsibility is borne by those who are responsible for development. And development of the electric power industry is based on the plans of the republics and autonomous provinces.

[Question] Who conducts the energy policy of Yugoslavia?

[Answer] Under the constitution this is done by the republics and autonomous provinces, since energy raw materials are their natural resource. It is understandable that global policy is unified in Yugoslavia as a whole. A program on development of the fuel and power industry up to the year 2000 was recently adopted at a meeting of energy specialists, which means that in this next period energy policy will be established by agreement among the republics and provinces concerning the development and use of energy resources, on adjustment of production and consumption, and on the agreed construction of facilities. Meanwhile, that agreement ought to be adopted after a rather broad public discussion. It was drafted and proposed by the Bureau for Social Planning and the Federal Committee for Energy.

[Question] As far as the agreement goes, we frequently hear that reaching agreement among the republics and provinces on Yugoslavia's energy policy is like damming up Lake Scutari on the Bojana, that an agreement is very difficult to reach. What is the Federal Committee for Energy doing in the situation of the evident fragmentation of electric power systems in Yugoslavia?

[Answer] Our entire social system is based on conclusion of agreements. To be sure, it is very difficult to reach agreements in the Federation, but they are nevertheless reached. But the problem of reaching agreements is not as great as the problem of carrying them out. The federal committee does not have a very important position here. It is supposed to monitor the fulfillment of those agreements, to analyze them, and to come before the Federal Executive Council with proposals for the guidance of economic policy measures insofar as this lies in the Federation's sphere of activity.

[Question] To what extent can the committee influence the views of the republics and provinces in such a situation?

[Answer] The committee is an organ of SIV and it is more oriented toward SIV, and only to a lesser extent does it have direct contact with the republics and provinces. To be sure, as a public agency it does include representatives of the republic committees for energy, industry, mining and the crafts and trades, and in agreement with them it shapes its own views and proposals and then goes on to propose them to SIV. However, by and large no more direct communication is undertaken with the republics and provinces.

[Question] Do you mean to say that the federal committee is unable even to conduct energy policy independently?

[Answer] No, it is not.

[Question] What and how great is your responsibility as the federal secretary for the situation in Yugoslavia's fuel and power industry?

[Answer] Since I occupy this position, I certainly cannot say that I am not responsible for the situation in the energy system. However, that responsibility should be given its true measure. In the short time I have held this post I have been unable to exert any very essential influence, if any at all, on development of the energy system, whose development, as I have said, is the principal reason for the present shortages. Energy projects take between 5 and 7 years to build. The consequences of earlier planning are evident now. The responsibility of the people who are concerned with energy policy now will become evident only in the period from 6 to 7 years from now.

[Question] For several years you were director of the Croatian Community of Electric Power Organizations. The energy situation in Croatia is very serious at the moment. Does that mean that your activity during that time is only now being seen in Croatia?

[Answer] I was director of the Croatian Community of Electric Power Organizations for 4 years. Certain important issues in the development of electric power industry were raised during that period. Hydroplants were designed and scheduled for construction on the Drava, on the Dalmatian watershed, and certain thermal electric plants outside Croatia, and so on. Some of these projects are under construction, but some have not even been begun yet because of the shortage of financial resources. However, when we speak about Croatia's electric power industry and about the situation in that republic, we must say that Croatia has sufficient electric power generating capacity; however, the mix of the facilities is not exactly satisfactory. More than 1,000 MW of installed capacity are power plants for liquid fuel, and the decision on importing heavy fuel oil is not made by the leadership of the electric power industry.

[Question] The question of heavy fuel oil is a question that has to do with the fuel and power balance. It is well known that Yugoslavia's fuel and power balance is adopted after numerous efforts to reconcile views and involves quite a few disagreements. One of the conditions for the normal pace of development is to adhere to those balances. This year we have not exactly held to what was agreed on. Why?

[Answer] That is true. For example, in the first 10 months of this year we should have refined a total, both imported and domestic, of 12.7 million tons of petroleum. Refinery output was only 9.2 million tons, which means all of 20 percent less. This has been almost fatal to the energy situation in the country. However, this occurred for altogether well-known reasons--the lack of foreign exchange to import petroleum and heavy fuel oil. And exports are the first factor in obtaining foreign exchange. So, associated labor. This means that associated labor, which is ultimately the consumer, must first of all set more funds aside for building fuel and power facilities in the country to utilize domestic resources, but at the same time funds must be furnished for imported energy. Yet we are still very markedly dependent on imported energy. One of the characteristics of our policy is to reduce the dependence on imported heavy fuel oil as fast as possible. That question of responsibility is often linked to the question of dependence and the shortage of heavy fuel oil: Who is responsible for heavy fuel oil not having been imported earlier?

[Question] Don't you think that SIV was a bit late with its decision on the importation of heavy fuel oil and adopted it only when the economy of Yugoslavia was brought practically to its knees?

[Answer] SIV has been having great difficulties both with such a small amount of foreign exchange with which we have to meet the needs for normal reproduction, to import production supplies, spare parts, fuels and everything we need. It is quite certain that it was unable to release more foreign exchange which did not exist and furnish it at the right time. I must say that the public is being given a wrong idea about this to the effect that heavy fuel oil would have saved us in this situation. That is not so. Because of the disastrous drought and low water levels on streams, such as we have not had for the last 100 years, we were at one point short 50 million kwh of generated hydropower. In this moment of crisis throughout the country there are power plants for liquid fuel standing idle which have a capacity of about 800 MW. The most they could generate would be between 17 and 18 million kwh per day, which in no case could have been able to make up for the shortage of hydropower. I think that our citizenry ought to know that.

[Question] When people talk about electric power and the problems in the fuel and power industry, it is obvious that most of the talk is about petroleum. Is petroleum at the moment the greatest enigma in our energy riddle?

[Answer] Not only an enigma, but indeed a major issue in our overall development. Here in the country we have stopped with an output of about 4.2 million tons of petroleum, but if our reproduction is to go normally, if we are to have enough petroleum products, we need about 17 million tons. We are now importing slightly more than 10 million tons, and all the problems stem from that. Whereas the rest of the world reoriented to other fuels somewhat more quickly after the petroleum crisis, we were late, we became highly dependent on imported energy, and we have remained so. That dependence, for example, amounted to 15.4 percent in 1960, but in 1979 all of 44 percent. Only after that year did we begin with measures to reduce that dependence, so that in 1982 it fell to 38 percent, which is still too high.

[Question] Let us get back to domestic petroleum. Don't you think that we need to solve the question of the treatment of domestic petroleum in order to bring an end to the disagreements and games being played concerning it? Will the status of petroleum and other fuels be equalized?

[Answer] Well, domestic petroleum does in fact have the same status as the other fuels. It even has a more favorable status with respect to price, since domestic prices of petroleum have been put on a par with the price of imported petroleum. Were it not for recrudescences of the past, that would have afforded domestic petroleum normal reproduction. Our society has made a commitment that the funds have to be found for petroleum production in order to increase explorations and especially in order to import production supplies for the production of domestic petroleum and gas. In our plan the gradual growth of output which we would have in petroleum production somewhere around the year 2000 would be, say, 10 million tons.

[Question] I cannot agree with you that petroleum has the same treatment as, say, coal. Coal and the other fuels are differently distributed than petroleum!

[Answer] You need not agree, but we have neglected coal in recent years and displaced it to such an extent that its share in energy consumption, which was 74 percent in 1960, fell to only 26 percent of the energy consumed in 1979. This is a consequence of the unfavorable status of coal producers and of the attitude toward them. However, I think that we ought not to set these two fuels in opposition to one another. Just as we must solve the problem of petroleum production, so we must also solve the problem of coal production so that in 1990 we would have 95 million tons instead of the present 58 million tons. At the same time we must also develop petroleum production and make use of our hydropotential, since these are our principal resources. I think that we will also have to add uranium to this, although we are unable to enrich it ourselves and to prepare it as a finished fuel for nuclear power plants.

[Question] In order to have foreign exchange, we have to export, but in order to export, we have to have normal industrial production. If we are to produce, there has to be electric power, but we do not have power. What do we do now?

[Answer] It is not really evident to me that in the first 10 months of this year the shortage of electric power has affected industrial production to any appreciable extent. The shortage has been felt by certain specialized producers, for example, producers of aluminum, ferroalloys and the like. The rest of industry has had a slower growth or drop of production, experience varies, more because of the shortage of production supplies and overall relations in production. You see, whereas our industrial output over the first 11 months of this year rose only 1.3 percent over last year, electric power consumption rose 4.7 percent. This means that electric power consumption is considerably higher than the growth of output.

[Question] How do you explain that?

[Answer] I think that energy has been used inefficiently both in industry itself and especially by the public at large. Look at the report, for example, covering the period from 28 November to 4 December, when the greatest hue and cry was raised because of the shortage of electric power in the country. Consumption of electric power was 7.8 percent greater than last year. This means that there have been great changes in the pattern of consumption, and that in an unfavorable direction, because a majority of the population decided to heat with electric power, which is absolutely the most inefficient thing that can be done. Just imagine what this expensive and quality form of energy is being used for, and moreover at relatively low prices.

[Question] Electric power is a commodity, and every commodity has its price. You recently said that for a number of years we have had some kind of noncommodity attitude toward electric power. What do you think should be changed in that attitude?

[Answer] The entire attitude. This is an essential issue. For many years our society has not realized the importance of the fuel and power industry to overall development. We often compare electric power to air. Only when a man feels that he is suffocating does he realize how important air is to him. We realized how important electric power is to us only when the sizable reductions were made. For long years we have lived outside economic logic and the law of value, outside developments in the world economy, in which we would like to be equal participants, and we have held energy prices at a low level. This has only reinforced illusions about energy as a cheap commodity which is available and will be available in abundance. The consequences are clear, and we all feel them keenly. We have been left without the necessary energy.

[Question] The question of money or electric power is reminiscent of the question of the chicken and the egg. At the moment we have neither money nor power. In order to have money, we have to increase output, that is, export. How is this to be achieved?

[Answer] There is no simple answer. I think that the solution lies in greater self-management organization of the Yugoslav economy. We have lost a great deal of foreign exchange because Yugoslav organizations of associated labor have not been acting in an organized way on foreign markets. Foreign trading partners have been taking great advantage of this, and we as a country have only been hurt. If we export what we are able to produce in the best possible way, we will obtain the funds necessary to import the necessary production supplies and raw materials and in that way gradually invigorate production. We must also organize ourselves within the country. Decentralization has become an end in itself. We are too fragmented, disconnected, and shut off in our respective precincts. And that is the material foundation for the establishment and reproduction of various types of economic and political monopoly over the economy and society.

[Question] Can we deal with the economic crisis if that lack of integration persists?

[Answer] That would be very difficult. In and of itself decentralization has never been our ideological, political nor economic orientation, but only a point of departure for centralization and concentration on new foundations. Self-management integration is task number one in carrying out the policy of economic stabilization and the entire range of goals which it stands for. We have to free it of tutelage from outside and from above--statist and technobureaucratic. The workers in basic organizations of associated labor must take responsibility for self-management integration throughout the entire economic space of Yugoslavia.

[Question] Is there a gap between the promises--the resolutions--and the real policy?

[Answer] There are several things in your question which we must clarify. Promises and resolutions are not the same thing. Policy, and that the real policy, is set forth in resolutions and other similar documents. Resolutions adopted by the most responsible bodies in the country, party bodies, government bodies, public bodies and self-management bodies. Our real policy is defined in them. The extent to which we manage to carry out that policy is certainly another matter. There are indeed many reasons and causes of the gap between what our policy is and what our reality is. This is a major economic, political and sociological topic.

[Question] Business executives are not so inclined to optimism, yet optimism brightens up the resolution. Why is it that business executives do not have confidence in the resolution?

[Answer] Perhaps sometimes the political commitments adopted out of unity are not made sufficiently operational, are not sufficiently elaborated, and are not sufficiently adapted to the differing concrete situations in which they are to be realized. Quite often our political orientations are also too general and abstract, so that in practice they are interpreted and implemented differently. In quite a few cases a particular policy has been defined without being sufficiently based on reality. And truly we concern ourselves very little in an organized, scientific and systematic way with studying our self-management reality, the battle of our associated labor and the contradictions within it. And yet that is precisely where we must find the strength of our policy. And the material interests of our society are different on many questions, not only among the republics and provinces, but even within them, among opstinas, local communities, and especially among economic branches and groupings, and among organizations of associated labor. It is precisely here, in the difference between what is set forth in the resolution and what can realistically be achieved, that accounts for a certain distrust of business executives concerning the resolution on economic development. Those interests cannot be reconciled with a statist wand, but by a more effective system for concluding self-management accords and social compacts on the principles of socialist democracy of freely associated labor.

[Question] Why is it that the results in the pooling of labor and capital in the economy have been rather slim?



[Answer] There are many causes, and it is difficult to expound them briefly in one interview. It might be said that the reasons are of a political and economic nature. In society as a whole we have not managed to implement the constitutional principles in associated labor. The alienation of the surplus value of labor is immense. A considerable number of OOUR's [basic organization of associated labor] is operating on the margin of profitability or at a loss, so that they have nothing to pool. Republic, provincial and opstina autarky is a great obstacle to the pooling of labor and capital on the unified economic space of Yugoslavia. That autarky has pushed to one side the orientation toward income, without which there is not, nor can there be, the desired pooling of labor and capital.

[Question] On the unified Yugoslav market there are countless obstacles which are very difficult for labor, goods and funds to pass. How can an end be put to that?

[Answer] Federal legislation is not an obstacle in that respect, it seems to me. I personally feel that republic and provincial legislation ought to be critically reassessed from the standpoint of the functioning of the unified Yugoslav market, as well as the regulations and powers of opstinas. The problem is in our behavior. Republic and provincial statism and opstina particularism are the greatest obstacles. We have truly arrived at a very difficult situation with the unified Yugoslav market. Without mincing words, at the present time it is neither "unified," nor a market. This is truly a disturbing situation. I think that we must begin to speak frankly about everything that brought that about. If we cover up the real problems, we will fall into still greater economic difficulties than those we are in now.

[Question] In spite of the difficulties and the not exactly large growth of industrial production, exports have grown. How do you interpret this?

[Answer] Exports have not grown much either. While output rose 1.5 percent in the first 11 months of this year, exports increased 1 percent. However, we do note a qualitative reorientation. Exports to the convertible market have grown considerably. Depreciation of the dinar helped to make exports of many industrial goods more attractive from the standpoint of income than their sale on the domestic market. I think that as we carry out the policy of a realistic rate of exchange for the dinar we will continue to achieve larger results in exports. Of course, because of the shortage of foreign exchange which we have found ourselves we have had to stimulate exports of industrial goods with every means, and we will continue to have to do so, often even at the price of depriving the domestic market of the supply of certain goods. We have to pay off our foreign debt as promptly as we can, since the reputation of our country in the world is involved here. And no price is too high to pay for preserving that reputation.

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CSO: 2800/170

## OIL IMPORT, PRODUCTION SITUATION ASSESSED

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 21-23 Jan 84 p 2

[Text] The way things have started, it seems that the supply of petroleum products will not be satisfactory either to a majority of consumers or to the refineries, although the energy balance envisaged and firmly promised that this year there would be 2 million tons more crude petroleum than last year and that its importation and everything required for its production would be furnished in good time.

Consumers are often inclined to judge by the morning, in this case January, what awaits them later. The supply of petroleum products does not even come close to the projected quantities for heat and for industrial consumption in January, when the need for them is greatest. Imports were approved only on 16 January, as though petroleum can overnight be loaded, delivered to the refineries, refined and made available to consumers.

### Imports Weak on the Side of Dinar Liquidity

On the basis of what was said at a press conference in the Federal Committee for Industry and Energy, one would have said that the purchases and supply of petroleum and petroleum derivatives in the quantities called for in the balance were going better than in the last several years. It seems that the balance does not contain guarantees that are so very firm that this will actually take place.

By contrast with previous years, this time the petroleum industry did not insist on the quantities of imported petroleum, but that the funds for imports be furnished in good time, in advance for a particular period and for all of 1984. The balance called for the National Bank of Yugoslavia to cover the time difference between the purchase of and payment for any particular quantity of petroleum, so that every tanker does not require waiting for guarantees, which presuppose coverage in both dinars and foreign exchange.

"We have already contracted to import petroleum from the convertible market for this year according to a strictly defined loading schedule. Because of the tardiness of the guarantees, we have up to now been left without certain quantities and have lost our reputation with foreign trading partners. That is why we insist that the petroleum purchased for each successive quarter be



covered at least 15 days in advance with all the necessary measures and funds. As far as we are concerned, we have made the allocation of imported petroleum for each country and importer for the first quarter, so that the problem is not in our hands," said Zoran Popovac, secretary of the General Association of Organizations of the Yugoslav Petroleum Industry.

The January lateness in issuing guarantees of the National Bank, as well as those for last year, incidentally, is usually related to the lack of foreign exchange, which is difficult to understand. Last year petroleum fell to 11.2 percent of total imports from the convertible market from about 23 percent in 1981. The share of petroleum imports in total exports to the convertible market has fallen from about 22 percent in 1981 to about 13.8 percent last year.

The lack of foreign exchange cannot justify smaller imports or the shortage of petroleum and petroleum products. Especially since this is a priority commodity. No one can any longer say that petroleum is such a burden that the rest of the economy cannot finance its purchase. Moreover, it is clear to everyone that the consequences of the inadequate and tardy importation of petroleum and petroleum products are considerably greater for the economy (the drop in production) than the foreign exchange which is saved.

Actually the balance did not take a position on how not only the foreign exchange, but also the dinar funds would be furnished to cover it, that is, to cover the imports of petroleum and petroleum products. The petroleum industry is still suffering from losses of a kind "incurred" over the last 3 years (up until 1983) because of differences in rates of exchange and the import of petroleum on the basis of short-term credit. These losses have been spread over several years, so that the petroleum industry does not have sufficient dinar working capital, and this will figure as a factor limiting imports.

"Back in November we proposed that the dinar funds, that is, limits, also be selectively earmarked and channeled, respecting the priorities. After all, we were not the ones determining the rate of exchange, the purchasing procedure or the quantities of petroleum either earlier or now," Zoran Popovac explained.

#### Shortage of Heavy Fuel Oil?!

One of the measures contained in the balance commits the petroleum industry to conclude a self-management accord in January on uniform and equal conditions for supply of petroleum and petroleum products to the Yugoslav market. A great deal of work is already being done on it on the basis of the views of the petroleum industry, but the Federal Executive Council has not yet furnished the basis and criteria for allocation of petroleum products, which are not something the petroleum people should do.

Under the pressure of consumption in industry and the electric power industry, the balance this year gave preference to the production of heavy fuel oil and other less valuable "black" products. This is contrary to the economic interest of the refineries and to the long-term development commitment to reduce production of "black" products and for the petroleum refiners to

build secondary installations and thereby improve the yield, recovery and quality of the petroleum derivatives.

On the basis of the consumption envisaged by the balance, secondary installations in the refinery need not operate at all. Even at a yield of 11.11 percent the refineries would be able to obtain the envisaged 1.8 million tons of gasoline from primary refining. However, the refineries could operate in response to economic motivation and apply the yield of about 17 percent which has been achieved, and then those 14.5 million tons of crude petroleum would yield 2.4 million tons of gasolines and only 4 million tons of heavy fuel oil, instead of the projected 5.5 million tons.

Should the economic motivation prevail in the refineries this year as in previous years, then they would produce, say, about 600,000 tons of gasoline more and 1.5 million tons of heavy fuel oil less. This would be very welcome to drivers who dream about the end of rationing coupons, but there would be a real turmoil in the supply of heavy fuel oil and diesel fuel to industry, electric power and agriculture, as well as other activities. The gap between the petroleum product mix foreseen in the balance and that which is more economical might be offset by exporting a portion of the surplus gasoline and by importing the amount of petroleum that is lacking. We should also anticipate that the Federal Executive Council will again in this case make the most effective move.

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CSO: 2800/180

DATA ON LIVESTOCK FEEDING, FEED SUPPLY PROBLEMS

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 12 Jan 84 p 11

[Article by Milorad Urosevic]

[Text] In the past 7 years, the greatest fall in livestock feeding has come in a year when the corn harvest was the greatest. Despite increasing amounts of imported protein feed, decreasing numbers of cattle are being fattened.

Data on organized cattle fattening operations should be a barometer of meat production, and thus of the domestic meat supply. At the same time, the data point to realistic expectations for price levels, upon which depend the possibilities of working people to obtain at least the essential minimal amounts of these irreplaceable foodstuffs. In other words, these data should form one of the essential elements for predicting trends in the living standard.

Impact of Feed Shortages on Cattle Fattening

If, however, deviations from economic principles happen any place in full measure, with results that are highly unfavorable precisely for the living standards of the working people, especially those who live solely on the results of their wages, then it is in animal husbandry and meat production, one element of cattle fattening or providing raw material for producing fresh and processed meats. The report of the Federal Statistical Office, published in mid-December, contains data according to which the first 9 months of 1983 accounted for 720,600 tons of livestock for butchering from organized livestock fattening. Of this, beef totaled 287,000 tons or 5 percent more than last year, hogs 300,000 tons, which was 10 percent less than the previous year, lambs 2,000 tons or the same as the previous year, and poultry 131,200 tons, or 4 percent more than in the same period of the previous year.

Taken as a whole, there was a decline of 15,200 tons, or 2 percent. This result should not be underestimated, particularly when we bear in mind the export ambitions that are not being realized in accord with

forecasts. In addition, domestic markets are more poorly supplied than previously, while at the same time prices are less affordable for the great majority of consumers. One of the reasons given for this situation is the shortage of livestock feed.

For example, corn production in 1978 was 7.58 million tons, and the exports matched the imports, so that the available supply amounted to 7.5 million tons. In the next year, 1979, 10.084 million tons of corn were harvested, and more than a million additional tons were imported. The available quantities reached the highest total ever, but 5,000 tons less of meat were produced than in the previous year. If we look at those years in terms of organized livestock feeding, in 1978 the slaughter houses delivered 944,000 tons, while in 1979 the total fell by 24,000 tons, which was the greatest decline in the last 7 years and is an obvious confirmation of the lack of any direct connection between livestock fattening and available corn supply. That means that the supply of protein components remains, and there the situation is different than frequently indicated as a reason for the insufficient livestock fattening operations and meat production.

It is sufficient at this point to look at the situation for the first 9 months of 1983. Imports of oil cakes and biscuits, primarily from soybeans, totaled 162,000 tons, or 78 percent the amount imported in all of 1982. There were also 194,000 tons of soybeans in bean form imported for processing at the Zadar Soybean Plant, and this total was only 5 percent less than that for all of 1982. Fish meal imports from abroad totaled 79,000 tons, or 9 percent more than in 1982. Thus available raw materials for concentrated livestock feeds, the main basis for livestock fattening operations, surpassed the totals for previous years. Furthermore, livestock herds had not been reduced to a degree that would be reflected in final production data.

With all that in mind, it is obvious that the reasons for the decline in livestock fattening operations must be sought in an entirely different location. They come first of all from the failure to recognize the fact that stock fattening is a distinct economic branch, which is so industrialized that to identify it with agricultural ranching, or with owners of breeding stock, has no justification. It is an activity that has developed largely in regions that do not have livestock otherwise, and where in some cases there is not enough livestock feed. Rather, the only economic factor is the money for building livestock feeding installations, to a lesser degree on publicly owned lands and for the most part on village households.

#### Consequences of Industrial Operating Procedures

Thus in the third quarter of 1983, 7,500 tons of fattened livestock came from Bosnia and Hercegovina, or 7.4 percent of the total fattened livestock. This republic has about 22 percent of the total number of cows in the country. Croatia has 19 percent of the total number of cows, but

provided 36,200 tons of fattened cattle, or 35 percent of the beef cattle. Slovenia has 9 percent of the cows, but provided 11,600 tons or 11.3 percent of the fattened cattle; Serbia proper had the same percentage of cows as its percentage of fattened cattle, at 30 percent, while Vojvodina, with only 4.2 percent of the total cows in the country, provided about 16 percent of the total fattened cattle.

The situation in hog fattening is even more unfavorable. Of the total number of fattened swine delivered, Vojvodina provided 41 percent, even though it possesses but 18.5 percent of the total number of sows. Serbia proper, with 48 percent of the total producing sows, provided merely 14 percent of the fattened swine for market. With 4 percent of the sows, Slovenia provided 8.3 percent of fattened swine, while Croatia, with the same percentage of producing sows as Vojvodina (18.5 percent), produced 28.4 percent of the fattened swine. Bosnia and Hercegovina reversed the numbers of Slovenia [with 8.3 of the sows producing 4 percent of fattened swine for market].

These figures show that in livestock fattening, the industrial operation is gaining increasing favor. It results in the owners of breeding stock, who provide stock for fattening, being placed in a subordinated position. We also need to take into account that fact that of 1,000 cattle, private owners possess 971, while the social sector owns the rest. In breeding sows, 920 of 1,000 are owned privately. These ratios become even clearer since only when the breeders involved in producing livestock for fattening and owning cows and sows, a job with no days off, become the equals at least in an approximate economic sense of the pure "fatteners" and corn producers, only then will production of meat, milk and processed foods from them begin to increase.

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CSO: 2800/162

## DATA ON CROATIAN STANDARD OF LIVING DISCUSSED

Zagreb DANAS in Serbo-Croatian 27 Dec 83 pp 7-8

[Article by Drago Loncar: "When Will Life Take a Turn for the Better"]

[Text] In a social-realistic view of life the price of a woman's hairdo is not an expense which could threaten the standard of living of the workers, but when as today a haircut in a beauty parlor costs 1,000 dinars, which is 400 percent more than 2 to 3 years ago, we have been able even with this harmless everyday example to go to the heart of our standard of living. The most serious research also indicates the absurd situation in which the average Yugoslav household has found itself, since expenditures for those 10 or so most important needs long exceeded recorded income, so that we ask how it is that many families, especially those with earnings below the average, are still able to survive at all. The figures and data with which we have measured the standard of living up to now obviously no longer serve their purpose; after all, in spite of the threat to the population's existence measured in that way, how is one to explain, for example, the fact that once again we will be gay and noisy in entering the new year, 1984, and the restaurants where a table for one night costs more than some people make in a month will be full.

Many therefore say that it is not all as black as it is made out, but we must honestly admit that today we are living poorly, even more poorly than we think, since it is always easier to get accustomed to a rapid gain in wealth than sudden impoverishment. The fact that we have retained the old patterns of behavior in many things does not at all diminish this gloomy picture of the standard of living.

#### A New Blow

According to a survey of the Federal Bureau of Statistics done 2 years ago, the average Yugoslav household had monthly earnings of 15,845 dinars, and expenditures for personal needs (food, tobacco and beverages, clothing and footwear, dwelling maintenance and rent, heat and light, furniture and equipment, hygiene, culture and entertainment, transportation and postal services) about 14,488 dinars. If we increase those earnings in 1982 by 27.5 percent, which was the nominal growth of personal incomes in Croatia, we get an average household income of 20,202 dinars, while their expenditures would be

19,096 dinars. In the first 9 months of this year the household's earnings increased 18.9 percent, which would give an average of 24,021 dinars, while expenditures of 25,092 dinars have outstripped earnings by about 1,071 dinars(?!)

Since the so-called correction of price disparity which has been announced awaits us at the beginning of next year, and there has been mention, among other things, of a rent increase of about 50 percent, municipal services and utilities 20 percent, electric power 50 percent, and so on, it is obvious that the standard of living will be receiving a new blow at the beginning of next year.

In SR [Socialist Republic] Croatia there are today about 70,000 individuals receiving some form of social welfare, and it is estimated that about 250,000 households are earning less than necessary, that is, whose subsistence is in jeopardy. On the other hand, this past September about 10,000 employees in SR Croatia had a personal income greater than 45,000 dinars, which, to be sure, is not any kind of wealth, but they include those who received more than 30 million old dinars in their pay envelope for that month. Incidentally, about 3.6 percent of the employed labor force in SR Croatia are still receiving monthly earnings under 8,000 dinars, and about 11.5 percent between 8,000 and 9,000 dinars. These are all figures which indicate that next year social welfare policy in society will be at the very top of the sociopolitical topics of the day.

The new tax policy, in which this year's package of proposed changes in the tax system aroused a real revolt, since it called for drastic taxation of individuals, was supposed to be one of the first fundamental undertakings in correcting the large and unfair social differences in our society, but the present proponents of the amendments do not envisage any exceptional changes in the tax system, especially not the kind which over the short run would cause any results in reducing social differences. The prevailing opinion is that drastic property taxes would be a blow against those who are performing better and saving.

#### Unemployment

The social welfare card with which the trade unions wanted to obtain records on the social status of worker families has so far been greatly criticized both by the workers and even our highest leaders in the country, but, as we were told by Cedomir Stanokovic, secretary of the Council of the Federation of Croatian Trade Unions, the trade union organization of this republic, along with the trade unions of the other republics and provinces, will see the preparation of those records to the end. This action by the trade unions deserves support, since the 10-percent drop in the standard of living we have put in the planning documents this year make it clear that this drop in the standard of living will jeopardize the existence of those with the lowest earnings, and it is the obligation of society to at least know who has dropped below the level at which it is necessary to intervene with social welfare measures.

It is clear that the social welfare card cannot be an end in itself, but it would primarily be used for the purpose of aid out of solidarity to those who do not have enough and cannot realize it with their labor, not to those who are receiving little, but we don't know how much they might have.

Supply is one of the essential segments of the standard of living, especially under our conditions, in which shortages of certain important articles have become a fact of everyday life, and it is envisaged that at the beginning of next year there will be a new wave of shortages of goods on the market, just as is usual in our country at the beginning of every new year, when the supply is held back in order to push up the prices of products. Yet on the other hand certain specialists believe that there will be fewer and fewer shortages with this drop in the buying power of the population, since the cost of living is higher and higher every day, so that the purchasing power of the population is smaller and smaller. It is even envisaged that next April, that is, after 1.5 years, we would abolish the rationing coupons for gasoline, since by that time there will be a new price rise for petroleum products in keeping with the agreement that has been adopted under which the price of gasoline would be indexed to the rise in the value of the dollar, so that these are all sufficient reasons why fuel consumption would drop off next year even without administrative restrictions.

The unemployed, who number about a million, impart a particular gravity to social welfare policy in the coming year, and the positions that have been articulated to the effect that new jobs must not be opened without economic rationale only prove that we have not yet found true solutions for young and educated workers without a job.

According to the resolution, it will be possible to hire 350,000 workers in the country next year, but in view of the number of new young people who will be looking for a job and a number of returnees from temporary employment abroad, no exceptional results in helping those without jobs are expected next year either.

#### Pensioners

It is well known that old-age pensioners are the best measure of the rise or fall of the standard of living, since their monthly incomes are sensitive to even the slightest shift in the cost of living. Among the total of about 462,000 old-age pensioners in SR Croatia, about 152,000 of them receive disability pensions averaging 9,381 dinars, 179,000 of them receive old-age pensions which average 12,751 dinars, and 130,000 pensioners receive old-age pensions averaging 7,949. About 56 percent of those receiving pensions have monthly income less than 10,000 dinars, although it must be emphasized that in the middle of this year the average pension was 64 percent of the average personal income, while 2 years ago it was only 56 percent of the average earnings of employed persons. Although there is this trend whereby pensions increase faster than personal incomes, we should mention that food, heat, rent and utilities, the most important items in the expenditures of pensioners, have been rising faster than the rise of pensions and that the household budget of most pensioners has nothing left over after the most necessary costs have been met.



# Monthly Expenditures of the Average Yugoslav Household

<u>Expenditures</u>	<u>1981</u>	<u>1982</u>	<u>Jan-Sep 1983</u>
Food	6,571.12	9,173.28	12,429.79
Tobacco and beverages	805.92	943.73	1,226.85
Clothing and footwear	1,522.67	2,072.35	2,696.13
Housing and maintenance	698.05	894.90	1,139.20
Heat and lights	883.02	1,117.02	1,396.28
Furniture and equipment	471.11	607.73	744.47
Hygiene	543.70	660.60	841.60
Culture and entertainment	872.73	1,110.11	1,445.36
Transportation and postal, telephone and telegraph services	1,376.03	1,693.89	2,241.02
Other expenditures	<u>744.49</u>	<u>822.68</u>	<u>931.83</u>
Total	14,488.84	19,096.29	25,092.53

<u>Average pensions in SR Croatia, in dinars</u>	<u>1981</u>	<u>1982</u>	<u>1 Jul 1983</u>
Disability	5,542.95	7,642.79	9,381.00
Old-age	7,455.39	10,099.54	12,751.40
Survivor	<u>4,764.19</u>	<u>6,554.65</u>	<u>7,949.30</u>
Average pension	6,041.28	8,272.36	10,284.65

It is clear that the country's return to economic help is not only an end in itself, but represents a step forward in our development, in which one of the most important ultimate goals is a better life for the population. We certainly could say that we are living poorly now and in a year or 2 or 3 we will be living much better, just as we are now saying that we are living poorly because a few years ago we were living beyond our means, but on the basis of the present situation in the economy and the obligations which we have, there are few real possibilities that we will be living considerably better. On the contrary, all the forecasts for next year indicate a further drop in the standard of living, which signifies an increase in the number of those who will be pushed to the edge of bare existence in the true sense of that word. Are there any reserves left in our society that we might call upon in more difficult situations than the present one? The blackest forecasts mention a drop in funds for culture, physical education and similar activities so that we might meet primary existential needs.

Yet those are pessimistic versions without a solid foundation, and there is still good reason to believe those who feel that after one more tightening of the belt for 1 year, our economy will be able to ensure the population a better life.

OBSTACLES TO DEVELOPING SMALL BUSINESS DISCUSSED

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 19 Jan 84 p 4

[Article by R. Zivkovic: "Opstinas Acting as Censors"]

[Text] Employment this year, according to the provisions of the Resolution, should increase by 2 percent. There will be room for 120,000 workers in the socialized sector. Natural attrition will account for another 150,000 places in small business, and it will be possible to employ another 10,000 workers. The projected growth rate of employment is truly modest in the light of economic, social welfare, and political ambitions.

The question is whether there really is room for a larger number of workers who might be gainfully employed in the socialized sector or small business?

If we realistically examine the possibilities, there is no room for new employment in the socialized sector. There are in fact large surpluses. There would be room in small business, but many hampering circumstances have stood in the way. That is, it has been said, and it is the truth, that small business is not only a safety valve for higher employment, but it offers a chance, indeed large room, for new jobs in the true sense of the word. Unfortunately, up to now only the possibility for higher employment of the population has been looked at in the development of small business, and almost never has society's need for its products and services been examined. This seems to be the origin of the divisions: socialized-private, as well as the increasingly frequent decision to apply a restrictive policy toward "self-employment."

Attempts to regulate certain things with legislation have not been fruitful, but recently the intimation about enrichment has been increasingly present. There has been public name-calling about billionaires, farmers and other rich people among the private craftsmen and tradesmen, hostellers, and truckers.... On the other hand are the offers and quite a few alternative arrangements for employing returnees, for example, in small business. During the New Year's holidays, for example, there was not a town in which the returnees were not welcomed in an organized way. Domestic work organizations offered jobs provided certain machines were imported or a certain amount of foreign exchange paid in. Industrial cooperation was offered in the production of parts, small pieces of equipment, and so on. A great deal of material was

distributed with instructions on procedure and conditions for opening up establishments, for obtaining permits....

These endeavors and the efforts made over several years are natural. However, these exertions have not been successful, even less the accompanying activities in the legislative field, so that adequate results have not been forthcoming. Now and in the course of past months a drive has been under way for the signing of a social compact on policy for development of small business. In opstinas and local communities special small business staffs have been created which instead of encouraging the development of these activities, have more and more been turned into sensors concerning the issuance of permits, declaring certain lines of business to be desirable or undesirable, to be necessary or unnecessary, within their jurisdiction. Moreover, there are very frequent changes in attitude. During the recent conversations our returnees once again pointed to the lengthy procedure, the large amount of unnecessary paperwork, and the frequent changes in regulations. There were even those who recall that the regulations reported to them at the end of 1982 were different from those which are now in effect!

If we want small business to develop, we have to enact regulations for a longer period of time and we must not lose patience and get involved in branding private craftsmen and tradesmen and other personnel in small business because their business is good, given the shortage of many products. That is, a restrictive policy should not be applied, but recently, we emphasize, it has been increasingly evident. Instead of making it possible to enrich the supply and open up a competition which would bring better quality and lower prices, with increasing frequency we resort to measures that prevent normal operation. For instance, how can we justify the decision by and large to restrict the number of crafts and trades. For example, why not allow the opening of consulting bureaus, project planning and design organizations, tourist agencies and many others for which there is a need on the market and in society.

It is certain that there would also be quite a few trained and specialized people who would go into business in the area of marketing, analysis of market conditions for products and services. This is not permitted, even though the individuals would collect for their services by taking a share of the profit, not by the sale and resale of "studies." We must more and more free ourselves of rigid attitudes and habits as to what is public and what is private.

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CSO: 2800/173

## BRIEFS

SPRING PLANTING PLANS--In the spring of 1984 the following hectare area totaling 4,556,874 hectares is expected to be planted in various agricultural crops in the republics and provinces indicated: Bosnia-Hercegovina 726,000; Montenegro 36,800; Croatia 928,300; Macedonia 207,009; Slovenia 192,140; Serbia 1,163,000; Kosovo 157,000; Vojvodina 1,146,625. [Text] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 8 Feb 84 p 4]

ELECTRIC POWER--In 1983, 59.6 billion kwh of electric power were produced, or 5 percent less than the plan but 6.5 percent more than in 1982. The cause of the decrease should be sought mainly in the lower production of hydroelectric power plants and lateness in constructing new thermal electric power plants. Hydroelectric power production was 15 percent less than planned and 7.5 percent less than in 1982 (with production amounting to 21.3 billion kwh). Thermal electric power plants produced 3.5 billion kwh of power last year, or 17 percent less than planned and 13 percent less than in 1982. Although thermal electric plants based on coal exceeded the plan by 3 percent and exceeded 1982 production by 17 percent, producing 31.2 billion kwh, and the nuclear power plant produced 3.7 billion kwh (or 8.4 percent over the plan), they could not make up for the other deficits. There was, as a result, a 3.7-billion kwh reduction, or 5.8 percent of total consumer needs. In 1983, 2.6 billion kwh of electric power were imported and 1.6 billion kwh exported. A total of 59.6 billion kwh of power were consumed, or 9.5 percent less than planned but 3.9 percent more than was consumed in 1982. As of 31 December 1983 the water level in water storage lakes was enough to produce 950 million kwh of power, or about 550 million kwh more than at the end of November; the accumulation has continued to increase this year. [Excerpt] [Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 16 Jan 84 p 31]

RIJEKA PORT EXCEEDS PLAN--Traffic in the port of Rijeka was better than planned in 1983. Though it was a difficult year for maritime shipping, 6,549,489 tons of cargo were handled, which is 41,489 tons more than was anticipated, that is, 1 percent better than was planned. By contrast with general cargo, whose traffic was down 17 percent, transshipment of bulk cargo and wood were up last year: 6 percent in the first case and 17 percent in the latter. If one can tell the day from the morning, then we might say that the volume of business at the beginning of 1984 is even greater than the capacity for our largest port. The Rijeka terminal has been jammed with cargo this December, so that even a part of the passenger docks are being used. [Text] [Belgrade PRIVREDNI PREGLED in Serbo-Croatian 19 Jan 84 p 12] 7045